FBIS DAILY REPORT

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PAPAL ENVOY BRIEFED ON BEAGLE ISSUE IN BUENOS AIRES

Foreign Ministry Officials, Samore Meet

PY271427Y Buenos Aires TELAM in Spanish 1355 GMT 27 Dec 78 PY

[Text] Buenos Aires, 27 Dec (TELAM)--The pope's envoy, Cardinal Antonio Samore, is now at the Foreign Ministry where he is familiarizing himself with the Argentine position regarding the conflict with Chile on the border demarcation in the Beagle Channel.

Cardinal Samore arrived at San Martin Palace after 0930 in the company of his civilian adviser, Ambassador Enrique Lupiz, and the apostolic nuncio, Msgr Pio Laghi. Samore's assistants, Fiorello Cavalli and Faustino Sainz Munoz, arrived in another car. They were taken immediately to the Golden Room where an informational meeting is being held with Foreign Minister Carlos Washington Pastor; the three under secretaries of the Foreign Ministry, Capt Gualter Allara, Col Raul Cura and Col Ernesto Repetto Pelaez; the chief of the joint chiefs of staff, Gen Pablo Apella; and the secretary general of the air force, Maj Gen Bailio Lami Dozo.

It was reported last night that the main speakers who will explain the Argentine rights in the southern part of the country will be Secretary Allara; General Etchverry Boneo, president of the Argentine delegation to the Mixed Commission No 2 in the second phase of negotiations under the Puerto Montt Presidential Act; and Ambassador Guillermo Moncayo, chief of the Foreign Ministry's Office of Legal Counsel.

It was reported that Cardinal Samore will recess the meeting around noon to greet the military junta and have lunch with Foreign Minister Pastor and other officials. In the afternoon, he will reportedly meet again with President Jorge Rafael Videla and then end his visit to the country toward the end of the day.

Samore Visits Military Junta

PY271500Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1443 GMT 27 Dec 78 PY

[Text] Buenos Aires, 27 Dec (NA)--The papal envoy, Cardinal Antonio Samore, arrived at the National Congress building at 1140 to present his greetings to the members of the military junta. Samore was accompanied in the car by Foreign Minister Carlos Pastor and the apostolic nuncio, Msgr Pio Laghi.

Samore Optimistic About Beagle Settlement

PY271631Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1550 GMT 27 Dec 78 PY

[Text] Buenos Aires, 27 Dec (NA)--The pope's envoy, Cardinal Antonio Samore, said today that he sees peace between Argentina and Chile "difficult but possible," and that he remains "very optimistic" about finding a favorable solution to the conflict. He also pointed out that "there is great concern in Europe" about the southern border conflict, and that he was "quite satisfied with the welcome given me by the people and national officials." Samore made these remarks today when he left the National Congress building where he went for a protocol visit to the members of the military junta, the country's highest government organization.

The prelate said it could lead to "serious consequences" if the two countries on either side of the Andes "should take extreme positions."

The visit to the junta was Samore's only protocol activity this morning and was used to brief him thoroughly at San Martin Palace on the Argentine position in the border conflict with Chile in the south. It was the first of two working meetings planned for today. The second meeting will be held this afternoon at the presidential residence in Olivos where he will meet for a little over an hour with President Jorge Videla, with whom he had a protocol conversation at government house yesterday.

Videla Meets With Samore

PY280009Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 2320 GMT 27 Dec 78 PY

[Text] Buenos Aires, 27 Dec (NA)--The meeting which Lt Gen Jorge Rafael Videla (ret) and papal envoy Cardinal Antonio Samore held at the presidential residence of Olivos ended at 1940. The private meeting between the nation's president and the special envoy from the Vatican lasted approximately half an hour.

Samore To Leave for Chile

PY271315Y Paris AFP in Spanish 1257 GMT 27 Dec 78 PY

[Text] Buenos Aires, 27 Dec (AFP)--It was officially announced here today that the pope's special envoy, Cardinal Antonio Samore, will leave for Santiago, Chile, at approximately 1700 local time (2000 GMT) today. The cardinal, who is trying to find a peaceful solution to the Argentine-Chilean southern border conflict, will leave for the Chilean capital on a regular flight of the Chilean airline Lan-Chile.

MILITARY COMMITTEE MEETS TO DISCUSS PAPAL MISSION

PY271617Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1549 GMT 27 Dec 78 PY

[Text] Buenos Aires, 27 Dec--It has been learned from responsible sources that the Military Committee met this morning first at government house and then at the National Congress building.

Despite the lack of official information, it was learned that the meeting between President Jorge Videla and army commander Roberto Viola, navy commander Armando Lambruschini and air force commander Orlando Agosti began at 1000 in government house. This meeting lasted until a few minutes after 1100. The high-ranking military chiefs later went to the National Congress building, where they were greeted by the pope's envoy, Cardinal Antonio Samore.

It has been learned that the most important subjects discussed at the meeting were the border dispute with Chile and the activity which Cardinal Samore, the pope's envoy, is carrying out today in Buenos Aires.

FOREIGN MINISTRY REPORTEDLY PREPARES NEW BEAGLE PROPOSAL

PY272123Y Rio de Janeiro O GLOBO in Portuguese 27 Dec 78 p 14 PY

[Excerpts] Buenos Aires (O GLOBO)--The Argentine Foreign Ministry prepared a document outlining the basic arguments submitted to the court of arbitration earlier and a proposal which, according to well-informed sources, is quite close to the Chilean position.

This document was delivered last night to Cardinal Samore by President Jorge Videla and Foreign Minister Pastor. [paragraph continues]

According to these sources, Argentina would recognize Chilean sovereignty over the three disputed islands--Lennox, Picton and Nueva--and 12 miles of territorial waters in exchange for a shared exploitation of the disputed waters. The document also contains a basic point of the Argentine thesis, the two ocean principle; that is, Chile cannot claim any rights in the Atlantic while Argentina cannot claim any rights in the Pacific.

MASSERA COMMENTS ON TENSION WITH CHILE, ARGENTINE UNITY

PY280126Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 0008 GMT 28 Dec 78 PY

[Excerpts] Cordoba, 27 Dec (NA)--Adm Emilio Eduardo Massera, the former commander in chief of the navy, emphasized that at this "particularly critical moment for us all" there is "a more than imperious need to remain united, forming--as we have done during other memorable moments in our history--a human bloc, strongly bound by common tradition, by the characteristics of our lifestyle and our conduct."

Massera also stated that "the conflict with Chile should be dealt with in the conscience of every Argentine on two emotional levels: that which demands total and loyal subordination to the great interests of the country regarding its sovereignty, and that which encourages a fervent desire for peace."

Admiral Massera included these remarks in a statement to the newspaper LA VOZ DEL INTERIOR in this capital city. The paper today published the entire text of his answer to a journalistic question posed to him in the federal capital.

Massera stated that generosity is the characteristic of Argentina and of its inhabitants; "but, as sure as we are of being in the right, we will not allow one more step to be taken which would place in doubt the decision to defend our territory."

Later he added: "It is also admirable how the people have stood behind their leaders, supporting their decisions. Admirable is the spirit of our armed forces, their officers, their noncommissioned officers, soldiers, airmen, sailors and enlisted men."

Massera then said that the only ones who do not take part in the present situation are "those who have been, or still pretend to be, the allies of death, or those who take advantage of today's circumstances to become rich, to lie or to speculate."

CLARIN STRESSES IMPORTANCE OF PAPAL MISSION

PY271245Y Buenos Aires CLARIN in Spanish 24 Dec 78 p 12 PY

[Editorial: "The Papal Mission"]

[Text] At the moment of greatest tension in Argentine-Chilean relations, His Holiness John Paul II has made a benevolent gesture of offering a peace mission which, in view of the acceptance of both governments, will be headed by an experienced Vatican diplomat, Cardinal Antonio Samore, who will arrive in Buenos Aires on Tuesday.

The initiative has been described by the pope before the sacred College of Cardinals as the sending of "a special representative to acquire more direct and concrete information about the respective positions and to examine and search together for ways to an honorable and peaceful solution to the problem."

Therefore, we are dealing with a use of good offices, a term described by writers as "a friendly act by a third power which provides the states involved in the dispute with an opportunity for agreement, an attempt to lead them to an agreement by means of a sort of discreet meddling." It is different from mediation because in mediation the third state intervenes in the negotiations to propose what in its opinion could be the solution to the dispute.

But aside from this definition, the truth is that his holiness, in view of the rising tension between the two Catholic nations and in an effort to maintain the prevalence of the lofty cause of peace, has taken an opening step which is undoubtedly motivated by "paternal affection toward those two dear nations." They, however, recently agreed to appeal to the Vatican as a mediator, even though they were not able to agree on the specifics of the mediation itself. There is wisdom in beginning a rapprochement at a different level--one capable of succeeding in bringing them closer and, above all, of calming their spirits on the basis of the certainty that any solution which is proposed or reached cannot be anything but just and honorable for both parties.

That justice should arise from both sides. Above all, it should result from respect for the territorial integrity of the nations so they may exercise their jurisdiction in accordance with historical tradition and rights. Next it should arise from the reassertion of peace as a means to achieve fruitful and promising coexistence, as well as to direct the larger part of both people's efforts toward their development and modernization. Without this, both will enter this century's eighth decade relegated to underachievement in a world which speedily advances toward superior forms of material and spiritual civilization.

The Vatican's assistance--in the hands of Cardinal Samore--fulfills all the prerequisites to overcome the "impasse" in the negotiations. The church has emphasized the need to defend human life against all dangers, be they from violence or the prevalence of injustice among men and among nations. In addition, this affirmation of life is linked with the creation of material goods which are necessary for the exercise of virtue and spiritual enrichment, leaving behind all causes for alienation. At the time this sermon ended with a brief phrase according to which "development is the other name of peace."

So, starting tomorrow we will see an exceptional chance--and maybe the last--to make the right choice at the crossroads confronting two nations which should be destined for brotherhood and not feuds. Therefore, to the wisdom of the papal initiative should be added another: This clearly consists of the willingness to negotiate tenaciously for peace with justice.

The thoughtful and inspirational pause of Christmas shall be a hopeful threshold for the papal mission.

BRIEFS

ARMY PROMOTIONS--Buenos Aires, 27 Dec (NA)--The army has announced the following promotions as of 31 December 1978: Colonels Raul Jose Ortiz, Jorge Desiderio Martinez Quiroga, Ovidio Pablo Riccheri, Jose Julio Mazzeo, Rodolfo Enrique Luis Wehner, Jose Horacio Ruiz, Antonio Llamas, Eduardo Alfredo Esposito, Miguel Angel Podesta, Mario Alfredo Piotti and Alberto Omar Etchegorry to brigadier general; Brigadier Generals Jose Montes, Oscar Bartolome Gallino, Luciano Adolfo Jauregui and Antonio Domingo Bussi to major general. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1530 GMT 27 Dec 78 PY]

OFFICIAL MOURNING DECLARED FOR BOUMEDIENE

PY272339Y Brasilia Domestic Service in Portuguese 2200 GMT 27 Dec 78 PY

[Text] A 3-day official mourning period, which is in force beginning today, has been declared in the country in view of the death of Algerian President Houari Boumediene.

MUNICIPALITY ELECTION RESULTS RULED INVALID

PY251647Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Dec 78 p 4 PY

[Summary] The regional electoral court of Amazonas yesterday annulled the results of the 15 November elections in the municipality of Atalaia do Norte, where fraudulent electoral practices were proven to have occurred. Consequently, the National Renewal Alliance, which had won the statewide elections for the Senate by only 221 votes, is behind by 173 votes. The regional electoral court will now have 3 days to set the date for new elections in Atalaia do Norte, which must be held again within a period of 15 to 30 days.

TRADE FIGURES FOR FIRST 10 MONTHS OF 1978

PY230100Y Paris AFP in Spanish 1228 GMT 22 Dec 78 PY

[Summary] Rio de Janeiro, 22 Dec (AFP)--The foreign trade department of the Banco do Brasil revealed official statistics here today which place the Brazilian trade balance at a deficit of $783,958,000 for the first 10 months of 1978. During the same period of 1977, this trade balance showed a surplus of $185,617,000.

Between January and October this year, Brazil exported 75,407,527 tons of raw material and manufactured goods for a total of $10,322,008,000. Both figures represent an increase over the same period of 1977. Brazilian imports during this period of 1978 reached $11,105,966,000, as opposed to $9,989,193,000 in 1977. The countries of the European Economic Community occupied first place among Brazil's buyers, with the United States second and the Latin American Free Trade Association in third place.

Brazil, which imports 80 percent of the oil it consumes, spent $3,352,231,000 on the purchase of this product during the period, while in 1977 it spent only $2,987,715,000.

Brazil bought goods for a total of $1,017,230,000 from Japan, while it sold $497,798,000 worth of products to Japan. The trade balance with East European nations registered a surplus of $415,627,000.

According to official estimates, Brazil's trade balance this year will reach approximately $1 billion, against a surplus of $140 million in 1977.

BRIEFS

MINAS DELEGATION TO BUCHAREST--A Minas Gerais State delegation, headed by the state vice governor, will go to Bucharest this week to hold negotiations with officials of Romanian state organizations interested in participating in projects, primarily in the agro-industrial sector, in Minas Gerais State. [Brasilia Domestic Service in Portuguese 2200 GMT 27 Dec 78 PY]

DETENTION OF CHILEANS IN ARGENTINA PROTESTED

PY271554Y Paris AFP in Spanish 1435 GMT 27 Dec 78 PY

[Text] Santiago, Chile, 27 Dec--It was officially reported here today that Chile lodged a protest today with Argentina for the detention in that country of numerous Chileans. The announcement was made by Chilean Foreign Minister Herman Cubillos, who regretted the detention, which does not contribute to the atmosphere of rapprochement between the two countries. This situation must be considered by Pope John Paul's special envoy, Cardinal Antonio Samore.

The note was submitted this morning to the Argentine military government through its ambassador to Chile, Mario Hugo Miatello. The note also refers to hundreds of Chilean citizens who have been expelled from Argentine territory in the past few weeks. Chile and Argentina have a serious border dispute in the southern region of Latin America.

EL MERCURIO CHARGES ARGENTINA WITH HOSTILITY, ILL WILL

PY271345Y Paris AFP in Spanish 0225 GMT 27 Dec 78 PY

[Text] Santiago, Chile, 26 Dec (AFP)--The newspaper EL MERCURIO stated today that Argentina has put into motion a real war machine which is placing relations with Chile in a state of tension never seen before. The newspaper said in Wednesday's issue that this movement is blind and deaf to all reasoning and disregards not only Chilean rights, but also Argentine rights. The newspaper pointed out that the war machine has been in operation for some time, harassing trade and the transit of Chileans through Argentine territory. It added that Argentina is showing inexplicable ill will toward Chile.

In its main editorial, EL MERCURIO emphasized the obstacles suffered by Chile due to the Argentine war machine and said that the resulting humiliations challenge a calm decision to defend our sovereignty and our rights which are being threatened not only by the disregard for the British decision, but also by the effort to isolate us economically. The newspaper charged that the hostility against Chile is being deliberately encouraged by the government-controlled Argentine media. The newspaper added that the Vatican's good will mission will have to defy and stop this war machine if it wants to succeed.

EL MERCURIO stated in conclusion that if the pope's envoy is able to get the governments and this blind movement to listen to him, peace will be possible and the irrational danger of war in the southern cone of the Americas will be avoided. Chile and Argentina have a 100-year-old conflict in the Beagle Channel.

CHRISTIAN DEMOCRAT LEADER BACKS REGIME ON BEAGLE POSITION

PY280022Y Paris AFP in Spanish 2205 GMT 27 Dec 78 PY

[Text] Santiago, Chile, 27 Dec (AFP)--Eduardo Frei, the leader of Chilean Christian Democrats, expressed support for the military government's stand in the southern border conflict with Argentina in the Beagle Channel area in a communique released here today. Frei stated: Nobody ignores our emphatic opposition to the present regime but, in this case, the legitimate rights and interests of our country are at stake.

Frei, who was the president of Chile from 1964 to 1970, stated that the country maintains an indisputable legal and moral position in the Beagle conflict.

With respect to this, he mentioned the boundary treaty of 1881, which established Chilean sovereignty south of the Beagle Channel, and the British arbitral decision of last year which also recognized those rights.

The former president recalled that these matters were discussed with three Argentine governments during his administration. However, at that time the Argentine authorities did not have the territorial pretensions they are now showing. In his statement, Frei added: The Strait of Magellan, Cape Horn or other territorial points were not even mentioned.

RAFAEL PISAINER COMMENTS ON SAMORE MISSION

PY271639Y Santiago Chile Domestic Service in Spanish 1045 GMT 27 Dec 78 PY

[Rafael Pisainer commentary]

[Excerpts] Msgr Antonio Samore, the pope's special envoy, will be arriving in Santiago from Buenos Aires today. Upon his arrival in Buenos Aires, Cardinal Samore stated that there is a possibility that a solution will be achieved. But Cardinal Samore's statement is in contrast with the position taken not only by Argentine mass media, but also by some Argentine Government officials. While Cardinal Samore is optimistic about achieving an agreement regarding the Argentine-Chilean dispute, Adm Armando Lambruschini, commander of the Argentine Navy, has stated that Cardinal Samore's mission is peremptory and that if it fails we will return to the same prior situation, which means the two countries will experience tensions that do not benefit either of them. This was stated by the Argentine Navy commander, Adm Armando Lambruschini. And Argentine Air Force Commander Orlando Agosti also had thoughts along the same lines. He said: We are altruists but we do not want any more plundering. You heard correctly--plundering. And this was stated by the Argentine Air Force commander.

Furthermore, Argentine newspapers were frankly quite original yesterday. The newspaper CRONICA published a sensationalist headline yesterday which read: Not Even the Pope Will Force Us To Give Up Our Islands. You heard correctly--our islands. And this is from an Argentine newspaper. The newspaper LA NUEVA PROVINCIA from Bahia Blanca stated that mediation may well open the doors of the Atlantic Ocean to Chileans. The paper adds that it fears an agreement hatched behind the scenes due to Chile's unfairness which is supported by Chilean diplomatic policy. This small newspaper adds that the fatherland is tired of words, tired of beating enemies with patriotic speeches to be told later by legal experts that because of its pacifist tradition, Argentina would do better to grant the islands to Chile.

All this of course has local color added to it because the Argentine mass media is ignoring the fact that the islands never belonged to Argentina, that the British court decision confirmed Chilean sovereignty over this territory and, if this were not enough, that there is a border treaty dating back to 1881 which cannot be more explicit and which has been in force for 98 years. It is a little late, therefore, to try to alter a situation which has been in existence for almost a century.

But I must remind you, ladies and gentlemen, that in all this, we Chileans are a bit confused because no one knows what Argentina's position is. There are responsible Argentine sectors which are handling this matter with the degree of calm this dangerous situation demands. But there are certain spokesmen who burst into speeches and certain radio and newspapers which, in order to increase their own audience, issue statements that could be taken as jokes if the situation were not as serious as it is.

It is very difficult to understand Argentina's position and who its authorized spokesman is. Moreover, it is no contribution to Cardinal Samore's mission for a newspaper to publish the statement: Not even the pope will force us to give up our islands.

We just have to wait to see the extent of Cardinal Samore's mission. Furthermore, it must be clearly stated that even regarding this mission there are contradicting opinions. This is true. There are different opinions regarding the nature of Msgr Antonio Samore's mission. For some Argentine sectors, Cardinal Samore is here on an information-gathering mission and there are some who say that this is the last chance. This is also the opinion of Adm Armando Lambruschini, the Argentine Navy commander.

But this is obviously not the last chance since from what we know there are three measures which are being used:

1. Argentina took the initiative of taking the case to the UN Security Council. It was Argentina which proposed the UN alternative.

2. Chile took the same issue to the OAS Permanent Council, which preferred to wait for the results of the pope's special mission before taking any action.

3. There is a petition, ladies and gentlemen, which dates back 6 years and which we are tired of mentioning. In April 1972, Argentina requested and Chile accepted that any future dispute over the Beagle Channel would be taken to the International Court at The Hague. I repeat that the International Court at The Hague is the judge which was requested by Argentina and which was accepted by Chile. The two countries are, therefore, obliged to take the issue to this court.

Msgr Antonio Samore's mission, therefore, cannot be the last resort to seek a solution. Argentina cannot deny that in April 1972 it requested the International Court to be the future judge of any controversy. Moreover, since the Beagle issue was solved by the British Crown, which was also a judge proposed by the Argentines and accepted by the Chileans and which issued a decision on the case, the only issue that must be discussed is the demarcation of maritime areas in the southern region since for Chileans the Beagle issue has been solved by a valid, obligatory and already fulfilled decision.

For the Argentine mass media, Cardinal Samore is here on an informative visit. However, for Chileans, who proposed a mediation which was accepted by Argentina, which, furthermore, proposed the Holy See as mediator--I repeat, for Chileans Cardinal Samore's visit is the beginning of an attempt to mediate.

Furthermore, ladies and gentlemen, whatever the Argentine mass media believe, it is quite clear to us Chileans that any judge in the world, whether it be the International Court, the pope, the Dalai Lama, or anybody else, in view of existing references, this judge can only confirm the validity of Chilean titles and reconfirm once again Chilean sovereignty over those territories which Argentina is claiming after 98 years.

I repeat that to us Chileans everything is so perfectly clear that we do not have the slightest doubt, hesitation or fear to take this issue to any court in the world whether it be the pope, the International Court or any other judge they wish to appoint to solve this dispute. We are certain and confident of the validity of our titles and rights. And we do all this without stepping on anyone's toes, without shouting, without issuing rude words or threats. We are calm.

There is a pile of historic and geographic references which is absolutely unquestionable because what Argentina is really doing, ladies and gentlemen, is to repeat one by one the same arguments which it took to the British court and which caused Argentina to lose the dispute, as it really happened.

We are therefore willing to go to any mediator with the same tools. We are very calm and we will not be drawn out by any provocation. It is not we who have to shout to be able to state that reason is on our side.

ARMY REPORTEDLY CAPTURES 40 GUERRILLAS

PA241954Y Paris AFP in Spanish 1627 GMT 23 Dec 78 PA

[Text] Bogota, 23 Dec (AFP)--The conservative paper EL SIGLO, citing sources within the Military Institutes Brigade, published a report today on its front page that approximately 40 guerrillas were captured in Bogota by the army in the last few days.

The paper says that the guerrillas are members of the fifth front of the self-styled Revolutionary Armed Forces of Colombia (FARC) who were captured after "numerous investigations and raids". The military operations took place in densely populated sectors in Chapinero, an important commercial center.

The FARC is a clearly communist-oriented armed movement that has eight fronts--both urban and rural--and is perhaps the most active guerrilla group in Colombia at present.

If the report is confirmed, it will have been the harshest blow to be dealt to the guerrillas by the army.

NEW AIR FORCE CHIEF ANNOUNCES REFORMS

PA220257Y Bogota Cadena Radial Super in Spanish 0000 GMT 21 Dec 78 PA

[Text] Bogota--New Colombian Air Force Commander Gen Raul Alberto Paredes Diago today announced substantial reforms in that armed institution and said that his administration will emphasize vigilance in regard to the nation's airspace and enforce respect for the nation's sovereignty.

General Paredes Diago said that he will undertake permanent action against Colombian and foreign drug traffickers who use modernly equipped planes to carry out their activities.

In assuming his post during a special ceremony at the (Tam) military base, the new air force commander expressed his decision to cooperate in the nation's social and economic development. He added, however, that such a task will necessarily require a joint effort with the other sectors of society.

The ceremony was attended by the highest-ranking officers of the army, navy, air force and the national police.

PRESIDENT CONCERNED OVER BEAGLE CHANNEL CONFLICT

PA271616Y Paris AFP in Spanish 1502 GMT 27 Dec 78 PA

[Text] Bogota, 27 Dec (AFP)--Colombian President Julio Cesar Turbay Ayala expressed his country's deep concern over a possible armed conflict between Argentina and Chile due to the dispute over the Beagle Channel, it was learned here today. He said this in personal messages addressed on Tuesday to his colleagues Gen Rafael Videla and Gen Augusto Pinochet.

President Turbay Ayala hopes that Cardinal Antonio Samore, who arrived in Buenos Aires on Tuesday, will be successful in carrying out the mission entrusted to him by the pope. "May God see that the mediation promoted by the pope does not fail," President Turbay Ayala said.

Furthermore, he said: "Let us hope that the people in America can celebrate the triumph of unarmed reason over the bloody solution of arms."

"With due respect for the principle of nonintervention on which the inter-American system rests, I must express my own and my country's concern over the unfortunate possibility of an eventual armed clash between two nations of this hemisphere to which we feel united by undissolvable historic, cultural and affectionate ties," President Turbay Ayala said.

"Argentina, Chile and Colombia are part of the Latin American family, and this implies that what affects you also concerns us," he added.

President Turbay Ayala also pleaded in his message to Videla and Pinochet for a peaceful solution as soon as possible to the Beagle Channel problem, "to eliminate the scourge of war between your peoples."

EL ESPECTADOR CRITICIZES OIL PRICE HIKE

PA242353Y Bogota EL ESPECTADOR in Spanish 19 Dec 78 p 2-A PA

[Editorial: "The Oil Seism"]

[Text] The meeting of the Organization of Petroleum Exporting Countries (OPEC) in Abu Dhabi will be remembered as the scene of one of the most disagreeable Christmas presents made to the world in recent years. The representatives of those territories that have the good fortune of having "liquid gold" did not waver in taking the audacious step of raising its price by 14.5 percent--and not exactly in order to take reprisals or countermeasures against the nations which, for other factors, had exercised world domination before. On the contrary--and mistakes on this subject abound--the damage is done to the majority of people in the world, and no "Third World" solidarity or any other kind of solidarity has served to reduce the dimensions and scope of the catastrophe. The year 1978 closes with an economic seism of catastrophic effects.

The change from $12.70 to $14.54, which automatically raises the prices of everything produced in the world to the detriment of the large majority of people, is of course the brainchild of the shaykhs of Saudi Arabia and the United Arab Emirates. It does not seem that the supposedly modern thinking of the officials of other countries had any role to play in that. The tremendous blow to the world economy had two basic authors: Ahmad Zaki Yamani and Mani'ibn Sa'id al-'Utaybah. Those who attended the meeting on behalf of other countries and merely applauded the leonine maneuver with glee played a rather mediocre role. Colombia is hurt significantly by the disagreeable Abu Dhabi decisions, and we cannot hush our displeasure with the fraternal governments of Venezuela and Ecuador, which forgot us in this festival of raising [the prices] for all--during which it was decided in just 2 days to lay a heavier burden on many millions of people for the sake of the hundred beneficiaries of the oil wells--and without stopping to make other major considerations. Why, if the operation was so simple?

Inflation due to unprecedented cost pressures in approaching with spectacular effects of overall disorganization. Despite the noted rapidity of its decisionmaking, OPEC could not ignore the context which does not escape any elementary viewer. Recession in transportation and industry, lack of adjustment among all production rungs and chaos in wage bargaining will take on characteristics which in some unfortunate places will border on anarchy. It is not the elementary "vendetta"--which can be understood--of the oil-producing countries against those who at will managed the world's industrial power while they wanted to, setting with surprising niggardliness the prices of raw materials and forgetting any minimal notion of that "international justice" which serves only the personal interests of rising diplomats. It is a measure dictated by egotism and dominance which bares abusive lack of consideration toward the other interests of mankind.

And it is a shortsighted measure. To confirm the guidelines of "the law of the jungle" when the possibility might exist of planning and rationally organizing the future, can be a policy that ricochets back at its own merrymakers. The beneficiaries of the current, delirious "oil bonanza" have enough data to know it is not everlasting; that oil is the key "nonrenewable natural resource", and that, therefore, it will not be renewed. When it is replaced by another resource whose identity we do not know enough about, the "bonanza" may take a dramatic turn back to anguishing insufficiency. Of course, we do not wish that on anybody, but we could not avoid making these comments in an obvious--and more than justified--protest.

The solidarity of kindred nations has not been noticeable in this emergency as, in fact, no substantive result ever came from the announcements of our famous friends, the rulers of Venezuela, that the oil boom would serve to strengthen these countries in terms of equity and harmony. Since the show must go on, we will pay for oil very dearly for the benefit of a hundred colossal interests which enjoy this "bonanza" in the world. It will be seen later what comes of this oil seism which makes Christmas 1978 bitterly unforgettable.

BRIEFS

MILITARY PROMOTIONS--Bogota, 14 Dec (AFP)--President Julio Cesar Turbay Ayala today pinned the insignia on new generals Jose Gonzalo Forero Delgadillo and Raul Alberto Paredes Diago and Admiral Guilberto Barona Silva. The three officers had been promoted to the top rank of their respective branches by Congress 1 month ago. [Paris AFP in Spanish 1548 GMT 14 Dec 78 PA]

SEA POLICY COMMITTEE--Senate President Guillermo Plazas Alcid has announced the establishment of a committee to draft a statement of the nation's maritime policy. Expressing concern that the country has not placed enough importance on the exploitation of its sea resources, Plazas Alcid noted that it is hard to believe that Colombia, with coasts on both oceans, should not have thought of solving its continuous economic problems by properly exploiting its maritime resources and preventing the looting of these resources by other countries. [Bogota Radio Cadena Nacional in Spanish 1730 GMT 18 Dec 78 PA]

SUGAR SALES--Bogota--The director of the Colombian Sugargrowers Association has reported that, following the 1977 sugar crisis, this year Colombia has regained its exporting position by achieving sales of 156,000 tons of sugar on the international market. Those sales are estimated to be worth more than 800 million pesos. [Bogota Cadena Radial Super in Spanish 0000 GMT 19 Dec 78 PA]

IMPORT FIGURES--Bogota--The Foreign Trade Institute has reported that Colombia's imports up to November amounted to $2.989 billion. [Bogota Cadena Radial Super in Spanish 0000 GMT 19 Dec 78 PA]

COFFEE EXPORTS--Colombia's coffee exports this year amounted to 9 million sacks valued at $1.8 billion. According to information provided by the National Coffeegrowers Federation, this year's coffee production amounts to 10.5 million sacks. Of the exports, 40 percent were to the U.S. market and 60 percent were to Europe. [Bogota Radio Cadena Nacional in Spanish 1730 GMT 19 Dec 78 PA]

NEW THERMOELECTRIC PLANTS--The Council of Ministers has approved a contract signed by the Electrical Corporation of the Atlantic Coast and a German firm to build two thermo-electric plants--one in Cartegena and the other in Barranquilla. Over 500 million pesos are to be invested in the projects. [Bogota Radio Cadena Nacional in Spanish 1730 GMT 23 Dec 78 PA]

OLADE OFFICIAL COMMENTS ON OPEC OIL PRICE INCREASE

PA261701Y Quito Voz de los Andes in Spanish 1230 GMT 26 Dec 78 PA

[Interview granted by Gustavo Rodriguez, executive secretary of the Latin American Energy Organization, to Voz de los Andes; date not given--recorded]

[Text] [Rodriguez] The world should have expected an oil price increase, considering that OPEC had kept the price at $12.70 per barrel for the past 2 years, despite the dollar devaluation which has affected OPEC's purchasing power. For this reason, OPEC's oil price increase should not be a surprise. The Latin American Energy Organization [OLADE] had already estimated that the increase would not be less than 10 percent, which was corroborated by the 14 percent increas that was approved.

[Question] How will the new price increase affect Ecuador, Latin America and the rest of the world?

[Answer] I agree that prices are going to be affected in one way or another. However, no matter what has been said, it will not be the main cause of inflation, considering that the world's inflation rate for the past 2 years has been above 20 percent in some cases.

[Question] In what way is the new oil price increase going to help Ecuador's economic policy?

[Answer] For Ecuador, it is going to mean an increase in foreign currency earnings, which will contribute to the development of the productive sectors in the country.

[Question] According to international reports, OPEC is heading for trouble. What is your opinion?

[Answer] My opinion is that OPEC is more united now than ever before. Really, I cannot see it having any problems at this moment or in the near future. However, I must admit that the new oil price increase will affect the economies of countries that do not produce oil. For this reason, OLADE is trying to implement programs for the development of energy sources other than oil.

CEPE OFFICIAL VIEWS INCREASED OIL PRODUCTION REVENUE

PA211556Y Quito Voz de los Andes in Spanish 1230 GMT 21 Dec 78 PA

[Text] The increase in the price of Ecuadorean oil will mean an additional 1.3 billion sucres in 1979. This price increase will take place with the implementation of the OPEC decision, according to economist Abelardo Pachano, the acting manager of the Ecuadorean State Petroleum Corporation [CEPE]. Beginning in 1979, Ecuador's petroleum production will be increased by 8,000 barrels daily, Pachano added, stating that production will be expanded in the first 6 months of next year to 230,000 barrels daily. During a press conference, he explained that due to CEPE's work in the Santa Elena oilfield, it will soon become an effective center of petroleum production.

PATRIA SAYS U.S. THREW TAIWAN TO WOLVES

PY221428Y Asuncion PATRIA in Spanish 22 Dec 78 p 24 PY

[Commentary: "China Is Not Alone"]

[Text] There is a story by Tolstoy which tells about a trip a northern peasant was making by sleigh. Traveling with him were his four children. The sleigh was traveling fast on the snow when the man realized that he was being followed by a pack of hungry wolves. The peasant punished the dogs to make the sleigh go faster but the wolves were relentlessly closing on him. The peasant was aware that a terrible death for himself and his family was near because distance between the sleigh and the wolves was shortening and soon the great wolf, leader of the pack, would close on the dogs and with one single bite he would kill the lead dog according to the collective hunting system which the wolves used.

The only solution was to gain speed. However, the gods had no strength left. There was, however, a composite formula: lighten the sleigh and distract the wolves with something, thus gaining time as well as speed.

He threw the smallest of his children on the snow--one life in exchange for five. The sleigh went away while the wolves stopped to enjoy their bloody feast.

Something similar is happening with the United States and Nationalist China. The great Red pack, which also has some yellow members, is growing. It is close. Its will to dominate must be appeased. Thus, Taiwan has been thrown to the wolves.

However, this is where the parallel with Tolstoy's story ends because the scapegoat, Nationalist China in this case, is prepared to be quite a mouthful for the Red pack. The protection of Uncle Sam's fleet will disappear from the narrow straight which separates the island of freedom from the ensalved continental fatherland, but now Taiwan has discovered that it can protect itself, that it has a large, modern and motivated army and a huge reserve of human material ready for defense. It has discovered that it has modern industries capable of carrying out a decisive military effort and that it even has the necessary technology to manufacture atom bombs and use them as a deterrent. Above all, it has found that in this emergency it can feel the stimulating sensation that it is not alone. It has found that the free world is looking upon it with sympathy and as a symbol of freedom which must not disappear, a symbol which, being essential for the survival of civilization and decency, must not have the same fate of North Korea or South Vietnam, other victims offered as appeasement for the insatiable voracity of the wolf.

From the other side of the planet, our nation gives moral support and fully understands the significant role of Taiwan in the world. It is not merely a country willing to struggle for its sovereignty. It is human decency which refuses to be overridden by force. It is the reserve of civilization which compels the free countries of the world to say "enough!" to communist expansion.

ROC ENVOY ASSAILS U.S., LAUDS PARAGUAYAN SUPPORT

PY231556Y Asuncion ABC COLOR in Spanish 23 Dec 78 p 30 PY

[Excerpt] Lt Gen Hu Hsin, ROC ambassador in this capital, told this newspaper yesterday: "The establishment of diplomatic relations between the United States and Communist China is a betrayal of U.S. principles and is in discord with all peoples and governments which are for democracy and freedom."

The diplomat asserted that Communist China is a regime without human rights. It is "a tyrannical system, totally opposed to the principles of President Carter, who insists on human rights."

Regarding the country he represents in Paraguay, Ambassador Hu said that it has three outstanding characteristics: democracy, freedom and prosperity for the people.

He continued: "It is a government elected by the Chinese people; the establishment of diplomatic relations between the United States and Communist China can therefore not have any bad influence on the Republic of China."

He concluded by saying that the Republic of China and Paraguay are linked by deep friendship. "Both countries are working toward the same ideal and stress the principles of democracy and freedom. My country therefore immensely appreciates the friendship with Paraguay and firmly believes that the fraternal ties will become ever stronger."

HUMAN RIGHTS GROUP URGES PRISONERS' RELEASE

PY231332Y Asuncion ABC COLOR in Spanish 23 Dec 78 p 18 PY

[Text] The Christmas message released by the Paraguayan Commission for Defense of Human Rights proclaims: "A Christmas without political prisoners is the outcry of the moment and will be the best gift we can offer at this time to the Paraguayan family.

"We exhort the responsible officials to finally open the prison gates for the political prisoners who still remain there."

Regarding the human rights congress, held in this capital, it said:

"Our congress has been a milestone in the struggle for the validity of human rights in Paraguay. Thanks to that struggle, which is daily receiving more sympathy and more enthusiastic support, we can now say with justification that a more lucid awareness is being created in this country for the defense of the basic rights of human dignity."

BRIEFS

1978 TRADE BALANCE--The president of the Central Bank, Cesar Romeo Acosta, his disclosed that the balance of trade for 1978 will register a surplus of $170 million. With regard to the oil price increase, he stated that a good evaluation of the issue should be conducted in order to avoid an inflationary psychosis which would damage the country more than the increase itself. Romeo Acosta also stated that inflation in Paraguay during the year reached 10.5 percent, while a 40-percent monetary expansion played a role in the inflationary process. [Asuncion ABC COLOR in Spanish 22 Dec 78 p 11 PY]

FOREIGN MINISTRY UNDER SECRETARY--Rodney Elpidio Acevedo has been sworn in as one of the three under secretaries of the Foreign Ministry. [Asuncion ULTIMA HORA in Spanish 23 Dec 78 p 8 PY]

PRISONERS RELEASED--Two political prisoners were released this morning. The report was disclosed by Interior Minister Sabino A. Montanaro himself. The two prisoners are Rodolfo Eduardo Bogado Tabacman and Rolon Centurion, who were detained at police stations in this capital city. They had previously been held at the Emboscada prison. [Asuncion ULTIMA HORA in Spanish 26 Dec 78 p 10 PY]

PEREZ LEAVES FOR DOMINICAN REPUBLIC, JAMAICA

PA271401Y Buenos Aires LATIN in Spanish 1314 GMT 27 Dec 78 PA

[Text] Caracas, 27 Dec (LATIN)--President Carlos Andres Perez left for the Dominican Republic this morning where he will meet with President Antonio Guzman. Afterward, he will leave for Jamaica to attend the summit meeting of heads of state of industrialized and underdeveloped countries.

Simon Alberto Consalvi, minister of foreign affairs; Carmelo Lauria, minister of the Secretariat of the Presidency; and Manuel Perez Guerrero, minister of state for international economic affairs, are accompanying President Perez on his trip.

President Perez is supposed to hold talks today with President Guzman in Santo Domingo and will leave in the evening for Jamaica, from where he will fly to Venezuela on Friday.

RELEASED CUBAN PRISONERS, RELATIVES ARRIVE

PA270012Y Paris AFP in Spanish 2221 GMT 26 Dec 78 PA

[Text] Caracas, 26 Dec (AFP)--Seventy-four Cubans, former political prisoners and their relatives, arrived here Monday night. They make up the second group of exiles who came to Venezuela during the Christmas holidays. They were preceeded by 94 fellow countrymen who arrived on Sunday. They were immediately issued papers according to the laws of the country.

A Venezuelan Air Force plane flew to Havana twice in order to bring them. It is expected that the operation will be repeated at least once more during the week. The Cubans were temporarily placed in a YMCA near Caracas where they received evidence of friendship and solidarity from fellow Cubans who have resided here for several years.

One of the Cubans told a local newspaper that Hubert Matos, former commander of Fidel Castro's rebel army, is very ill because of "constant hunger strikes staged at the prison."

Venezuela will receive part of the 3,600 political prisoners that the Havana regime will release soon.

PRESIDENT-ELECT MEETS SENIOR ARMED FORCES OFFICERS

PA222204Y Caracas Radio Continente Network in Spanish 1000 GMT 22 Dec 78 PA

[Text] Venezuela requires for the consolidation and perfecting of its democratic system the contribution of people of all talents who believe in such a system. This statement was made by President-elect Luis Herrera Campins during his visit to the army general commander's office. Herrera was received by army commander Div Gen Arnaldo Castro and the Military High Command.

During his speech Herrera thanked the armed forces for their cooperation during the elections and particularly extolled the Republic IV Plan. The president-elect (?added) that the Venezuelan people enjoy exercising their democratic rights and particularly their right to vote. We are the country with the largest voter turnout in the free world, he said.

In the afternoon, Herrera went to the general commander's office of [words indistinct], where he was received by its commander, (Magilio Algrave Free), and high-ranking officers of that body.

PRESIDENT PEREZ DEFENDS OIL PRICE INCREASE

PA212246Y Buenos Aires LATIN in Spanish 1535 GMT 21 Dec 78 PA

[Text] Maturin, Venezuela, 21 Dec (LATIN)--President Carlos Andres Perez has said here that direct pressures were applied to prevent the petroleum price increase approved this week by the Organization of Petroleum Exporting Countries (OPEC) in Abu Dhabi.

The chief of state, who expressed greetings to the military garrison in Maturin, 512 km east of Caracas, said yesterday that it would have been an irresponsible action to try to cover the deterioration of petroleum prices during the past 2 years with a 40 or 50 percent increase. We also could not accept the pressures that were directly applied on us to prevent the petroleum price increase or to hold it to 2 or at the most 5 percent, he added.

Perez rejected the argument that the petroleum price increases will contribute to an intensification of worldwide inflation. That is what the industrialized countries are saying, he indicated, adding that the inflationary spiral is more the result of their stubborn insistence on maintaining superfluous expenditures--the super prosperity of the big nations. To detain the development of the basic infrastructures of our peoples, their well-being, education, clothing, food and housing, is just as harmful to international justice as to try to maintain higher levels of prosperity on the basis of the exploitation of peoples through their raw materials, he said.

The president said that it is not advisable to undertake a policy of exchanging petroleum for manufactured products because the prices of the products they are going to give us for the petroleum could be inflated. What can be done, and normally takes place, is to interweave [entrecruzar] imports and exports but not exchange one product for another, he concluded.

PETROVEN PRESIDENT DISCUSSES RESERVES, PROSPECTS

PA252353Y Caracas EL NACIONAL in Spanish 20 Dec 78 p D-2 PA

[Article by G. Ch.]

[Excerpts] During its third year of activities, 1978, the Venezuelan Petroleum Company [Petroven] produced an average of 2.16 million barrels a day, 260,000 of which were earmarked for domestic consumption and 1.9 million exported at an average price of $12 per barrel, Petroven president Gen Rafael Alfonso Ravard said during a news conference held at the firm's offices.

National oil has various densities. Therefore, economists have coined a term which sums up the makeup of the crudes we produce or export--the crude package--which this year was made up as follows:

Light petroleum, 790,000 barrels a day;
Medium petroleum, 770,000 barrels a day;
Heavy petroleum, 279,000 barrels a day;
Extra heavy petroleum, 351,000 barrels a day.

The average production cost per barrel of oil in Venezuela in 1978 was $2.66. This cost is tending to rise due to various factors such as the use of secondary production methods or the implementation of an aggressive, and therefore costly, exploration program.

Since 1976 the nationalized oil industry has developed an important rationalization program which concluded with the creation of four big operating firms with sufficient capacity to handle exploration, production, transformation and marketing of hydrocarbons.

The first stage of this process concluded with the consolidation of Lagoven, Maraven, Meneven and Corpoven, the last of which is still in the process of legal consolidation. It will first receive the assets of the operating firms merged into it. Then the firms that become integrated will transfer their monetary assets to Petroven in order to culminate the process of giving final form to Corpoven.

The initial phase of rationalization seeks to make maximum use of infrastructure and production facilities. Thus the operation of the industry is balanced and improved not only organizationally but also operationally.

The oil industry, the Petroven president said, is closing the year amid great activity, tripling its exploratory capacity compared with 1976.

One hundred rigs are ready to prospect for medium weight and light hydrocarbons at a cost of 1.064 billion bolivares.

Forty-five exploratory wells were finished in 1978, 30 of which turned out to be productive. Some 11,500 km of seismic lines [sismicas lineas] were laid out, covering 1.242 million hectares, a 100-percent increase over last year.

In addition to the 100 pieces of equipment mentioned, a ship, a semisubmersible unit and self-elevating equipment are operating offshore to evaluate prospecting sites on the continental shelf, where light petroleum so much in demand to make gasoline is likely to be found.

Regarding the latter, the general said that gasoline consumption has been increasing at a rate of 11 percent [annually]. He favored a price policy which will lead to rationalizing consumption of this fuel. He noted that the industry loses 4.6 centimos per liter of subsidized gasoline sold nationally, costing the Venezuelan state about 575 million bolivares a year.

He concluded that investment of about 6.5 billion bolivares has been planned for 1979. It is detailed as follows:

Exploration, 1.064 billion bolivares;
Production, 3.065 billion bolivares;
Refining, 1.606 billion bolivares;
Domestic market, 500 million bolivares;
Purchase payments, 100 million bolivares;
Administration, 135 million bolivares.

He also noted that the country's hydrocarbon reserves total about 81 billion barrels, a figure which has remained stable since nationalization because consumption and the procurement of reserves have been balanced.

AD OFFICIAL VIEWS ELECTORAL RESULTS, GOVERNMANT PROSPECTS

PA260328Y Caracas EL NACIONAL in Spanish 21 Dec 78 p D-1 PA

[Report on Leopoldo Linares' "exclusive interview" with Dr Jaime Lusinchi, leader of the Democratic Action parliamentary bloc and executive political secretary of the party's National Executive Committee, on 20 December]

[Excerpts] Dr Jaime Lusinchi yesterday broke the silence he had kept since the 3 December general election. In an exclusive interview with EL NACIONAL, Lusinchi announced that his party will ask for a thorough investigation into the 800,000 Venezuelans who were unable to vote. He predicted that President-elect Luis Herrera "will come up against a harsh reality because the alternatives that he skillfully offered will rebound at him." He declared that Democratic Action [AD] is still a popular, democratic and revolutionary party, while the Social Christian Party [COPEI] represents "the quintessence of the Venezuelan rightwing."

Jaime Lusinchi initially referred to problems or errors in the past electoral process which prevented more than 800,000 Venezuelans from casting their votes during the 3 December election. He stressed that this incident should be investigated by both the Supreme Electoral Council and the AD National Directorate.

Suffice it to mention, Lusinchi added, as an example that 22,000 voters were not able to vote in Petare municipality.

When the newsman asked about the reasons for this, Dr Lusinchi said that the voters of 1973 who were supposed to vote in the same place were assigned to vote somewhere else without asking for a relocation. Others were assigned somewhere else within the same state, but many were assigned outside their constituent district. Some were struck off the lists upon allegedly dying. Many were informed of their voting place, but when they turned out on 3 December they did not appear on the lists. Finally, there were problems with the new voters who did not appear or who were mistakenly informed about their voting place.

This whole situation, Lusinchi emphasized, must be promptly corrected so that the next electoral results can be absolutely trusted by all citizens. I know these charges may bother some parties and the Supreme Electoral Council itself, but all we seek is to improve democracy, which requires these corrections; no evil is intended.

When the newsman hinted at difficulties AD might face as a result of the latest election, the internal accusations that would arise as a result of defeat and the possibility of another division, Jaime Lusinchi said:

AD showed once again that it is and will be a great party because it drew 2.3 million votes by itself in the crucial 3 December election. There is no danger of a rift within the party because our analyses are not intended to blame anybody in particular for defeat or seek an scapegoat. On the contrary, we will try to correct errors because we are certain we will regain power in 1983.

What is your opinion, he was asked, about the role of a "rightwing party," which AD reportedly played during the past campaign vis-a-vis COPEI's somewhat left position?

It is possible, Lusinchi answered, that during the last days of the campaign some confusion may have arisen. But our leaders--and I pride myself in having done this in all my statements--have always contended that COPEI is the representative of the country's conservatives and that AD is still the popular, revolutionary and democratic party. Perhaps greater emphasis should have been placed on our tenets, but I insist that AD will always be a progressive party while COPEI is the quintessence of the Venezuelan rightwing. Time will prove this statement and we will hear many repentant voices among "the left-wingers" who crossed over in favor of COPEI's candidate.

The reporter reminded Lusinchi that President-elect Luis Herrera has a platform and has promised great things to the national voters. Lusinchi replied:

Dr Luis Herrera will stumble into a harsh reality, especially resulting from the alternatives which he shrewdly offered and which will rebound at him during his administration. He cited as mere examples the cost of living and the housing problem. I think there is not one sensible Venezuelan who thinks the new government will curb the inflationary process which is being experienced worldwide or that it will offer housing at lower than current rates.

Lusinchi emphasized that AD is a party willing to support the initiatives of the new administration in favor of the economically weak classes. However, he insisted that there will be difficulties due to "the demagogic campaign that the COPEI candidate undertook during the last weeks of the past electoral campaign."

Lusinchi again asked for an explanation of the thesis of the promotional state [estado promotor] advocated by President-elect Luis Herrera Campins. He stated that if the promises to create intermediate organizations of a new participationist society are true, it would be necessary to undertake legal reforms, even of the current national constitution. It would be like creating a new state, and that is not so easy.

FOREIGN MINISTER TO ARRIVE IN HAVANA 29 DECEMBER

PA271814Y Madrid EFE in Spanish 1332 GMT 27 Dec 78 PA

[Text] Caracas, 27 Dec (EFE)--Venezuelan Foreign Minister Simon Alberto Consalvi will travel to Havana on Friday, 29 December at the invitation of Fidel Castro's government.

Consalvi will fly to Cuba from Kingston, Jamaica. He will fly to Jamaica today, Wednesday, to accompany President Carlos Andres Perez to the "minisummit" of the chiefs of state of several countries who will analyze the North-South dialog between the industrialized and developing countries.

Although it has not been officially confirmed, it is believed that Consalvi will attend the ceremonies in Havana to commemorate the 20th anniversary of the Cuban revolution which brought Castro to power.

BRIEFS

CAF CREDITS--Caracas, 19 Dec (AFP)--At the conclusion of the 26th meeting of the board of directors of the Andean Development Corporation [CAF] today, it was announced that the organization has approved credits totaling $20 million for the member countries. Bolivia's Cerveceria Boliviana Nacional enterprise has been assigned $6.5 million. A loan of $2.1 million was approved for the Peruvian enterprise Endepalma. The financial cooperation agreement between the CAF and the Industrial Bank of Peru was increased to $7 million. Ecuador has been assigned $2.24 million for the expansion of its Ecasa artifacts enterprise. Venezuela's Extx Etoxil enterprise will receive $2.1 million from the CAF. [Paris AFP in Spanish 0021 GMT 20 Dec 78 PA]

EDITORA RENOVACION WORKERS END STRIKE

PA221200Y Panama City Televisora Nacional in Spanish 2315 GMT 21 Dec 78 PA

[Text] With the direct intervention of Labor Minister Oyden Ortega, the representative of Editora Renovacion and the leaders of the Union of Typographers and Graphic Arts Workers this afternoon signed an agreement which puts an end to the labor conflict that for 2 days prevented the publication of the newspapers that Editora Renovacion puts out. The strike concluded today following the signing of the agreement by the two parties. The workers will go back to work at 0730 tomorrow. Consequently, the newspapers MATUTINO and CRITICA will not be published tomorrow. The newspaper LA REPUBLICA will be sold in the afternoon.

GOVERNMENT DISCUSSES OIL PRICE INCREASE, OTHER ISSUES

PA230112Y Panama City Televisora Nacional in Spanish 2315 GMT 21 Dec 78 PA

[Excerpt] The centralization of the budgets of the autonomous entities proposed by the national financing commission and the appointment of Gabriel Lewis Galindo as the new general director of the canal authority were the main topics discussed at the cabinet and General Council of State meeting held today at the Presidency of the Republic. The national government also showed an interest in the effect that the new petroleum prices will have on the Panamanian economy.

Today's joint meeting began with the introduction and welcoming of Gonzalo Rodriguez Marquez, the new president of the Supreme Court, and with the welcoming of the participation of the 37 members of the National Legislative Council. Later on President Royo announced the appointment of Gabriel Lewis Galindo as the new general director of the canal authority. The president noted that Lewis Galindo will have all the powers to facilitate the carrying out of responsibilities that we will assume effective 1 October 1979. The new director replaces Edwin Fabrega, who will remain as the head of the Institute of Hydraulic Resources and Electrification. Nevertheless, Fabrega will be a member of Gabriel Lewis Galindo's advisory team together with Ricardo Alonso Rodriguez, Fernando Manfredo, Roberto E. Heurtematte, and the planning, finance and foreign ministers.

Later on the national financing commission presented a proposal to centralize the budgets of the autonomous entities in order to improve the state's funding policy. The measure, which will remain under study, was presented by Comptroller General Damian Castillo and the planning and finance ministers.

Today's General Council of State meeting also learned of the country's 1978 oil consumption and import figures and the effect of the new oil prices adopted by the Organization of Petroleum Exporting Countries in Abu Dhabi over the past weekend. The presentation prompted the president to appoint a special commission that will study all matters related to the price of oil and its byproducts. The commission will be headed by Luis M. Adames and will be made up of Presidency Minister Rogelio Fabrega, Ruben Dario Herrera, Price Control Director Juana Abood, General Director of Internal Revenue Fernando Aramburu Porras, Finance Vice Minister Orville Goodin, Eligio Salas and two officials of the Planning and Economic Policy Ministry. The commission appointed today will have to submit its suggestions for a savings plan that will enable the Panamanian Government to cope with the 14.5-percent increase in oil prices.

PLANNING MINISTER DISCUSSES BUDGET CENTRALIZATION

PA230408Y Panama City Televisora Nacional in Spanish 2315 GMT 21 Dec 78 PA

[21 December interview granted by Gustavo Gonzalez, Panamanian minister of planning and economic policy, to Televisora Nacional--recorded; place not given]

[Text] [Question] Mr Planning Minister, in today's meeting of the General Council of State, the National Financing Commission submitted a project which proposes the centralization of funds used by the autonomous entities. Please explain the reasons behind this porposal.

[Answer] The reason behind this proposal--which, as you know, is currently being studied by the cabinet members and the heads of the autonomous entities that make up the General Council of State--is to try to reduce the control problem and, above all, seek the most rational and efficient way to direct the use of the funds of the various entities. There are, within the various autonomous entities, certain revenues which are established by law or other regulations and which go directly to these entities. These entities, in turn, through their own disbursing process use the funds to meet their various obligations. What is being sought now is to organize a system by which all those revenues will go directly to the central government--that is, the treasury. The treasury will then assign the necessary funds for those entities.

[Question] Mr Minister, now that you have stated the reasons, does it mean that the entities would remain autonomous in name but that basically they would be centralized?

[Answer] Naturally, the autonomy would be respected and kept. What we are trying to do is, first, to set the limits for all disbursement so that it would fit within the framework of the national development plan which the government is forced to follow and, second, to place the disbursement under a financial management that is comprehensive and adequate enough so that the central executive will be able to apply, at the opportune moment, the necessary measures for rationalization, austerity and economy. At present these measures only apply to funds managed by the central government; that is, the ministries' funds, and not to autonomous entities.

[Question] Finally, Mr Minister, do you not think that the human resources--which constitute the other important element for the country's development--would be increased, thus creating or increasing government bureaucracy?

[Answer] There would not be any need for more personnel to implement this centralization process. On the contrary, some savings may occur. However, we are trying first to maintain the process by which the budget is being put to use and, second, to maintain a complete, effective and up to date control over operations during the year. This control would not require additional personnel because the comptroller's office computer is being used only to a slight percentage of its capacity. These additional functions would not tax its capacity greatly.

[Question] Thank you for your statements for Channel 2.

[Answer] Thank you. I believe that we should calmly and patriotically examine this true austerity measure so that the management of public funds can be carried out in accordance with the difficult times that the country is experiencing.

OPEC INCREASE TO COST AN ADDITIONAL 21.6 MILLION BALBOAS

PA241638Y Panama City LA ESTRELLA DE PANAMA in Spanish 23 Dec 78 p 1 PA

[Text] As a result of the oil price increase decreed by OPEC, our country will be forced to import an additional 21. 6 million Balboas worth of crude oil. Comptroller General Damian Castillo made this announcement yesterday during a meeting of the General Council of State held at the Presidency. According to Castillo, in 1978 Panama imported 17.3 million barrels of oil at a CIF cost (cost, insurance and freight) of 224.6 million balboas. If consumption remains the same, our country will pay 246.2 million balboas for its oil imports in 1979.

Our country's principal oil suppliers are Ecuador, from which we import 8.7 million barrels at a cost of 111.4 million balboas at 12.86 balboas per barrel. Our second leading supplier is Venezuela, with 3.3 million barrels which cost 43 million balboas at 13.02 balboas per barrel. The remaining oil that Panama consumes is supplied by Saudi Arabia, Iraq and Iran.

President Dr Aristides Royo has appointed an ad hoc commission to study the effects that oil price increase will have on our country. The commission will be coordinated by Mr Adames [not further identified] and will include Presidency Minister Rogelio Fabrega, Ruben Dario Herrera, Juanita Abood and Finance and Treasury Vice Minister Alvin Goodin.

More on Budget Drain

PA251657Y Panama City MATUTINO in Spanish 23 Dec 78 pp 1-A, 8-A PA

[Article by Francisco Castaneda]

[Text] An additional expense of some $8.5 million for the country's budget and an increase in the costs of those imports which are influenced one way or another by the price of oil--including the adverse effect of international shipping costs--will be the immediate effects on the Panamanian economy of the "proposed graduated increase in the cost of oil which, according to a report from Abu Dhabi, will progressively rise to a maximum of 14.5 percent in 1979. [quotation marks as published] Finance Minister Dr Ernesto Perez Balladares also said that the rate and extent of the increase in the cost of imports depends upon supply and demand and the volume of stocks of products. Noting that by imports he was referring to products such as fertilizers for the agricultural sector, machinery and equipment, automobiles and so forth, the minister said that it would appear that nothing is exempt from the oil and fuel price increase.

However, the minister said that the large and important investments in hydroelectric plants announced by Edwin Fabrega, general director of the Institute of Hydraulic Resources and Electrification, offer some hope because they significantly reduce the economy's dependence on a natural resource that we do not possess and encourage us to use one which we do have--rivers. The finance minister added that he had hoped to present a report on how this will affect the purchasing power at different levels in the country, but unfortunately this information is not available. He did say, however, that the planned increase in the price of oil will clearly cause an erosion of Panama's purchasing power by more than $8.5 million in 1979.

The economists of the Finance Ministry conclude that, in order to maintain the present standard of living in Panama, we will have to compensate for the adverse effect of the oil price increase by increasing production throughout the country's productive sectors. They report that the government is presently conducting studies designed to minimize the adverse effects of the planned increases on the country's economy.

COSTA RICA

PRESIDENCY MINISTER REACTS TO SOMOZA'S REMARKS

PA280320Y San Jose Radio Reloj in Spanish 0100 GMT 28 Dec 78 PA

[27 December interview with Costa Rican Presidency Minister Jose Rafael Cordero Croceri; place not given--recorded]

[Text] [Cordero Croceri] President Rodrigo Carazo wants to urge the noble Costa Rican people to have faith and confidence that we have the means necessary to guarantee peace and tranquillity in these days. Let them enjoy these days even though a ruler of a neighboring country, such as General Somoza, is trying to cause problems and prevent the Costa Ricans from enjoying this Christmas. He is a ruler who in his desperation over his internal problems insists on involving Costa Rica in a problem that has nothing to do with our country.

Fortunately, it is expected that the observer appointed by the OAS will arrive on the Lacsa airline flight at 2230 tonight. He will immediately go to the border zone to confirm and report to the world that no hostile action or harassment is taking place in Costa Rica against the Somozist forces.

At the same time, an international action has begun through Vice Foreign Minister Bernd Niehaus so that the Permanent Council [of the OAS] will learn of this matter, since it is a direct threat.

In reality we have not been surprised by this. It began 2 or 3 days ago with General Evertz. He was followed by Ambassador Sevilla Sacasa. The same old song was repeated by Foreign Minister Quintana, and then today the Nicaraguan chief of government made more specific statements. They are distortions. It is merely a method used by dictators throughout history. Those who study geopolitics know this. Dictators try to internationalize a problem in order to consolidate themselves domestically. But I repeat, we have faith in international organizations and we are taking all necessary measures to prevent any incident or problem that might affect the Costa Ricans' peace and tranquillity that the government is ready to guarantee to them in any way.

[Question] [Words indistinct] if Somoza's threat could mean an invasion of our territory?

[Answer] That is the problem. Costa Rica cannot enter Nicaraguan territory to control the guerrillas. I imagine that is what Mr Somoza [word indistinct]. It is an internal problem of Nicaragua. The moment that they are outside the border and inside Nicaraguan territory, Costa Rica cannot take any action other than to bring the OAS observer and show him that the guerrillas are outside the border. This is Nicaragua's internal problem. I repeat that Costa Rica cannot go beyond its borders. We have the obligation of defending them and we are ready to defend our sovereignty whatever the sacrifice.

GOVERNMENT PRESS COMMUNIQUE REITERATES RESOLVE

PA280321Y San Jose Radio Reloj in Spanish 0100 GMT 28 Dec 78 PA

[Text] Here are some aspects of the communique issued today by the Costa Rican Government: The bullying attitude with which Somoza has threatened Costa Rica's territorial integrity has forced us to insist once again that international organizations guarantee our sovereignty which, if necessary, we are ready to protect at any cost, the government indicated in its press communique this afternoon.

Civil Guard 'Concentrated'

PA280322Y San Jose Radio Reloj in Spanish 0100 GMT 28 Dec 78 PA

[Text] In view of Somoza's statements, the Civil Guard has been further concentrated [concentrado]. The Civil Guard, which had already been concentrated as part of its vigilance during the yearend and new year festivities, entered a higher level of concentration at 1600 as a result of Somoza's statements. Although the Public Security High Command withdrew the command from the Penas Blanca zone to prevent possible incidents or clashes, measures to protect the national territory have not been neglected and it can be said that they have been intensified.

Public Security Minister Juan Jose Echeverria has said that the ministry is receiving two types of reports from Managua: the usual ones through international news agencies and others obtained from intelligence.

OAS Action Asked

PA280439Y Paris AFP in Spanish 0424 GMT 28 Dec 78 PA

[Text] San Jose, 27 Dec (AFP)--The Costa Rican Government decided tonight after an emergency session to immediately ask the OAS for the application of the Inter-American Reciprocal Assistance Treaty (TIAR).

After the threat made this afternoon by Nicaraguan President Gen Anastasio Somoza, who said that he is "ready to invade Costa Rica in the next few hours," the Costa Rican Government decided to ask for the application of the TIAR because it is a matter of a "direct threat of aggression from one country to another."

President Rodrigo Carazo immediately got in touch with OAS Secretary General Alejandro Orfila to ask him to act "urgently in view of the gravity of the situation."

PUBLIC SECURITY MINISTER SPEAKS ON BORDER SITUATION

PA272039Y San Jose Radio Reloj in Spanish 1730 GMT 27 Dec 78 PA

[27 December interview with Costa Rican Public Security Minister Juan Jose Echeverria Brealey at the Public Security Ministry in San Jose--recorded]

[Text] [Echeverria Brealey] The Nicaraguan authorities have been insisting for days that they are being attacked from Costa Rican territory. We guarantee, once again reiterating the many statements that have been made in this regard by the president of the republic and by myself, that no attack is being made on the National Guard of Nicaragua from Costa Rican territory.

The day before yesterday, 25 December, the Nicaraguan authorities, through the acting Guatemalan ambassador, who is handling Nicaraguan affairs in Costa Rica, made us a proposal that was basically this: That one or two Nicaraguan officers be allowed in Costa Rican territory so that they could indicate to us where the camps are in Costa Rican territory that have been harassing them. As sure as we are that there are no artillery camps or similar installations in Costa Rica harassing the National Guard, we accepted the proposal and yesterday a trusted government officer went to the border area to meet with the Nicaraguan official who was to indicate where the alleged installation was. To our surprise, they withdrew the request they had made, and when we told them that they could come to our territory to verify that there was no installation, they declined. Our officers once again searched the area and once again verified that the mortar that has been firing upon various Nicaraguan National Guard posts near Penas Blancas and Sapoa is inside Nicaraguan territory.

We have been urging the OAS to send at least one observer to verify that our statements are true and those of the Government of Nicaragua false. This OAS official will arrive in Costa Rica this evening. We will immediately take him to the border area to tell him exactly where the installations that have been harassing the National Guard are inside--I repeat--Nicaraguan territory.

[Question] Pardon me, Mr Minister. What credentials and nationality does this OAS official have?

[Answer] I do not have that information. You will have to ask the Foreign Ministry. The only information that the foreign minister [words indistinct] gave me is that the OAS official would arrive today, but I do not know who he is or what his nationality is.

[Question] Mr Minister, do you think that Costa Rican-Nicaraguan relations will improve in 1979 and that a formula will be found to reestablish relations?

[Answer] That is a foreign policy matter over which I have no say. It is a matter for the president of the republic and the foreign minister. I would say that it is logical to expect that relations between Costa Rica and Nicaragua will be normal, but when that will happen depends bascially on Nicaragua.

[Question] Mr Minister, can the government guarantee these days, during the holidays, that there will be no problem on the border with Nicaragua?

[Answer] The government can issue guarantees on matters over which it has exclusive control. We cannot guarantee that the Sandinists and the Nicaraguan National Guardsmen will not continue to clash in the border area. What we can guarantee is that the Costa Rican authorities are alert and that we will always prevent Nicaraguan territory being attacked from Costa Rica.

[Question] Changing the subject, Mr Minister, public employees have been calling us asking for information on the holiday vacation period. They want to know when it begins. Will they have to work until today or until tomorrow?

[Answer] Many public officials, especially those in the Public Security Ministry, will continue working throughout the holidays. However, the vacation period for most public officials begins tomorrow.

VATICAN EFFORT SUPPORTED IN ARGENTINE-CHILEAN DISPUTE

PA261752Y San Jose Radio Reloj in Spanish 1200 GMT 26 Dec 78 PA

[Communique issued on 25 December 1978 by the Costa Rican Presidential Palace--read by announcer]

[Text] The Government of Costa Rica is pleased with the good offices effort [as heard] initiated a few hours ago by His Holiness Pope John Paul II when he sent Cardenal Samore, a high-level Roman Church official, to Argentina and Chile to establish direct contact between the governments of those nations, which are loyal friends of Costa Rica, in an effort to promote peace and harmony.

The Government of Costa Rica states its best wishes for the success of this dialog. We would like this delicate problem to be solved within the framework of the peace and harmony that represents the birth of the creator. This gesture from His Holiness John Paul II constitutes, together with the announcement that he will soon come to the hemisphere, the best present the pope can give the continent for Christmas.

LABOR FEDERATION HAILS CUBAN REVOLUTION

FL251524Y Havana Domestic Service in Spanish 1503 GMT 25 Dec 78 FL

[Text] The General Confederation of Costa Rican Workers has sent greetings to the Cuban people and the Central Organization of Cuban Workers on the occasion of the forthcoming anniversary of the triumph of the revolution. We greet with emotion, states the message, the Cuban Government, the people of Cuba and their hardened working class which have developed and defended the revolutionary process with exemplary patriotism and spirit of sacrifice.

The message adds that the Cuban people also courageously have faced the U.S. economic blockade and today are America's most free and sovereign nation. It goes on to say that the standard of material and cultural living in Cuba has increased much higher than in the other countries of the continent, and Cuba has all the facilities to continue advancing on the path of social and spiritual progress and in the exercise of human rights.

GUATEMALA

COMMUNISTS BLAMED FOR PROPAGANDA BOMBING IN INTERIOR

PA231514Y Panama City ACAN in Spanish 1529 GMT 22 Dec 78 PA

[Text] Guatemala City, 22 Dec (ACAN-EFE)--The Guatemalan Labor Party (PGT), which is made up of the country's outlawed communists, has been detonating bombs frequently in the interior of the country.

Today, Friday, the police reported the explosion of two new bombs in Huehuetenango, in western Guatemala. As with other bombs exploded this week in the same area, the two bombs were used to distribute propaganda described as subversive by the authorities.

The explosions have caused property damage in Quezaltenango, San Marcos and Huehuetenango by breaking windows in private homes close to the bomb sites.

No casualties have been reported in the three departments, but it was stated that the contents of the propaganda leaflets were not publicized because the police confiscated them immediately. However, it was also noted that all of the circulars call on the people "not to yield in their struggle against the oligarchic regime which is governing the country."

NATIONAL UNITY FRONT LEGALLY REGISTERED

PA232124Y Paris AFP in Spanish 1723 GMT 23 Dec 78 PA

[Text] Guatemala City, 23 Dec (AFP)--A new political party was registered on Friday at the electoral registrar after 4 years of efforts, it was reported here today. The National Unity Front (FUN) is the second political organization to be recognized legally by President Romeo Lucas' administration in 6 months. The first one was the National Renewal Party (PRN).

During the 4 years of the previous regime no new political party was registered despite efforts by political leaders. Four organizations are still awaiting registration.

NICARAGUA

SOMOZA PRESENTS COUNTERPROPOSAL TO MEDIATION COMMISSION

PA272053Y Managua Domestic Service in Spanish 1833 GMT 27 Dec 78 PA

[News conference held by President Anastasio Somoza Debayle in conference room of Information and Press Secretariat in Managua--live]

[Text] [Somoza] Messers ministers, members of (?autonomous organizations), local and foreign newsmen, radio listeners throughout the nation: I have called you to this news conference to explain to the Nicaraguan people the position of the Nationalist Liberal Party [PLN] and the position of my government regarding the latest proposal made by the international commission of friendly cooperation.

As the Nicaraguan people know quite well, the international commission of friendly cooperation made a final offer which my government, the PLN, the Congress and the armed forces endeavored to study. We concluded that in many ways that offer, in addition to violating the constituion of the republic, violated the sovereignty of Nicaragua in view of the manner in which the commission proposed the administration of electoral power here in Nicaragua and the administration of other matters in the nation.

Considering that Nicaragua has been subjected to intervention many times in the past, and considering that there are factions in Nicaraguan politics which have not accepted the efforts of the international commission of friendly cooperation because they consider the mere presence of such a commission to constitute intervention, the PLN decided to inform the commission that we would propose a compromise [acta compromiso]. This morning I had the pleasure of delivering this counterproposal to Ambassador William Bowdler, a member of the international commission, so that the commission can study it and present it to the Broad Opposition Front [FAO].

For the information of the people of Nicaragua, I will ask the secretary of the PLN, Dr Alceo Tablada Solis, to kindly read to the people the proposed compromise.

[Tablada] Twenty-six December 1978. Most excellent sirs: Reiterating the objectives listed in paragraph 4 of page 2 of our letter of 21 December acknowledging your letter of the previous day, we are attaching hereto a proposed compromise in terms which are similar to yours, but which, without changing its basic content, contains specific observations regarding proposals which violate the precepts of the Constitution of the Republic of Nicaragua or which run contrary to the spirit and traditional rules of the Organization of American States. Consequently, we wish to note paragraph 5 of the resolution of the 17th meeting of consultation [of the OAS] held in Washington on 23 September of the present year which gave birth to your mission in our country. It states the following:

Note that, without detriment to full compliance with the principle of nonintervention, the Nicaraguan Government has expressed its willingness in principle to accept the friendly cooperation and conciliatory efforts which several member states of the organization are offering in order to establish without delay the necessary conditions for a peaceful solution to the situation.

We are personally delivering this document to U.S. Ambassador William Bowdler, who has informed us that the aforementioned commission will meet soon in the capital of the Dominican Republic to draft the report that it will present to the OAS regarding their efforts so far to carry out the provisions of the above-cited resolution. With reiterated manifestations of our most distinguished consideration and personal esteem, yours truly, [signed] Julio C. Quintana, Orlando Montenegro, Alceo Tablada Solis

Proposed compromise:

In the city of Managua, capital of the Republic of Nicaragua, in the presence of the members of the international commission of friendly cooperation and conciliation, namely, the ambassadors and representatives of the Dominican Republic, Foreign Minister Ramon Emilio Jimenez; of Guatemala, Alfredo Obiols Gomez; and of the United States of America, William Bowdler; the leaders and representatives of the PLN; Dr Julio C. Quintana, foreign minister of Nicaragua; Dr Orlando Montenegro, minister of national justice; and Dr Alceo Tablada, secretary of the National Board of Directors of the PLN; on the one hand, and the members of the FAO Political Commission Alfonso Robelo Callejas, Dr Rafael Cordoba Rivas, and Luis Sanchez Sancho on the other, hereby state for the record the commitment which they are making on behalf of the institutions which they represent to achieve a peaceful solution to the present crisis in Nicaragua in the following manner:

1. Both parties recognize and accept the need to establish a government of national reconciliation that is pluralistic, democratic and representative and which, beginning on [no date given] of 1979, creates the climate for the democratization of the country with authentic social justice and the full enjoyment of human rights.

2. To achieve the preceding objective a popular consultation will be held under the organization and control of the National Plebiscite Authority and under the supervision of the OAS beginning on 5 January 1979 until the date on which the official results of the plebiscite are published by the national authority. This period will include preparation, registration, voting, vote counting and publication of the results.

3. In the aforementioned popular consultation, citizens who are legally eligible and registered to vote will vote by secret ballot on whether General Somoza should complete the constitutional term for which he was elected or whether a constituent assembly will be called.

4. In order to guaranteee the purity of the elections, freedom of expression, impartiality and respect for the results of the popular consultation, the following specific measures are agreed upon:

A. Effective enforcement of measures adopted for the full exercise of constitutional guarantees--amnesty, pardons and amendment of the radio and television law.

B. Withdrawal to barracks of National Guard units which have military functions except those which are normally assigned to police and border guard duty during the days of registration and from 72 hours before the popular consultation until the day after the voting. There will be international supervision of this measure which will not be interpreted as a restriction on the duty of the armed forces to mobilize contingents in order to repel any foreign aggression or internal acts of subversion.

C. Placement of the state radio station under the supervision of the National Plebiscite Authority during the period of the popular consultation in order to give equal opportunity for its use to the PLN and the FAO and in order to publicize properly the consultation.

D. Prohibition of the use of state resources in favor of the PLN or the FAO.

E. International supervisors to insure that no civilian or military authority and no private individuals interfere with the citizens' free access to the registration and voting tables.

5. In order to conduct a popular consultation with full guarantees for freedom of expression, impartiality and respect for the results, it is agreed that:

A. It will be organized and controlled by the National Plebiscite Authority and carried out under the international supervision of the OAS.

B. It will take place in the period between 5 January and [date not given] of 1979.

C. The registrations will be verified during the four Sundays of [month not given] of 1979 and the voting will take place on the first Sunday of [month not given] of the same year.

D. The definitive results of the vote count will be published no later than 5 days after the voting.

E. The voting will be in secret and on a ballot designed and approved by the international observers, but with each group having the right to choose freely its printed symbols with the exception of national symbols. These ballots will be printed under the supervision of an auditing firm of recognized international prestige.

F. Citizens who are constitutionally eligible to exercise the right to vote will participate in the elections following registration in the electoral registers.

G. Voting will be secret, and every voter will have the index finger of his right hand to the base of the fingernail stained with indelible ink, unless some other method is used. If that finger is missing, the voter will stain the middle finger, the ring finger, or the little finger, in that order, and if the right hand is missing, the fingers of the left hand will be used in the same order.

H. The organization of cantons will be the same as that presently existing unless--for justified cause confirmed by the international observers--the departmental authority should decide to modify or restructure certain cantons before the registration takes place.

F. [letter as heard] There will be an electoral table for each canton, but when more than 400 citizens are registered the departmental authority will be authorized to establish supplementary voting tables for election day. These will be located in schools and public buildings or, lacking these, in other appropriate installations.

I. The process of popular consultation will be organized and controlled by a national authority and observed by OAS observers with the following functions:

The national authority will be made up of the following organizations:

1. A national plebiscite council which will be made up of a representative of the PLN, another of the FAO, and a president chosen by the two parties who must be a Nicaraguan citizen and and lawyer of recognized professional competence, integrity and independence. In the event that the parties are unable to reach an agreement on the election of said president, he may be chosen at random by the two parties from a list of 10 lawyers of recognized professional competence, integrity and independence. The national council will be the supreme authority of the plebiscite with powers similar to that of the Supreme Electoral Tribunal, as agreed upon by the two parties.

2. A departmental council made up of a representative of the PLN, another of the FAO and a president chosen by the two parties. In the event that no agreement is reached, he will be chosen from a list of 10 impartial lawyers drawn up by the two parties.

3. Directors of electoral tables. These will consist of a representative of the PLN, another of the FAO and a president chosen by the two parties. In the event that there is no agreement, he will be chosen at random from a list of 10 impartial citizens drawn up by both parties.

International supervision will be conducted by an executive director who will administer observers and table supervisors. The executive director will be the top authority among supervisors and will be responsible for the administration and coordination of the supervision. He will be the organ of liaison with the National Plebiscite Council and other Nicaraguan authorities. He must be a lawyer of known electoral experience and a citizen of a member country of the OAS selected by both parties from a list to be presented in this regard. Observers will be assigned to the national council, to the departmental councils and the electoral cantons. The observers assigned to the national council will be present at and serve as witnesses to all the actions of the council, particularly:

A. The distribution of signatures and ballots to departmental councils.

B. Receipt and opening of ballot boxes arriving from departmental councils certifying in the record of receipt that the boxes carry the seals of the departmental observers and the observers at the voting tables and that they are duly locked.

C. The vote count by the national council certifying the respective results.

The departmental observers will be present at and will certify the following actions by the departmental councils:

A. The receipt of the ballot boxes and the ballots sent by the national council and their assignment to the electoral tables of the cantons in the department.

B. The receipt in the office of the departmental councils of the sealed ballot boxes sent by the directors of the electoral tables once the voting has been completed. Departmental observers in turn will seal the ballot boxes that have been received for shipment to the national council.

C. The turnover, along with the departmental council, of the respective ballot boxes in the offices of the national council. The international supervisory organizations will appoint observers to oversee the course of the plebiscite process. They will be assisted by two representatives of both parties.

The supervisor of each table will have the following functions:

A. To be present at the process of registration, voting and vote count.

B. To take charge of the third copy of the electoral register book and turn over the three copies at the end of each day of registration and at the end of the voting.

C. To turn over the sealed books to the departmental council after each registration and at the end of the voting.

D. To turn over to the secretaries the respective copies at the beginning of the voting and the registration, bearing witness that their seals have not been altered.

E. To participate in the vote count and bear witness to the preparation of the records of the results and certify the signatures of the directors of his electoral table.

F. To supervise the classification of the sealed ballots, seeing to it that they are placed in the ballot boxes, to seal the boxes and, along with the directors of the table, turn them over to the respective departmental council, at the same time insuring that the respective observers affix their seals.

G. To be present at the vote count at the national council of the respective ballot boxes and testify to the fact that the seals are unaltered, confirming and bearing witness that the vote count coincides with the record which he has certified.

H. To prepare the lists [instructiva] of all challenges and complaints for a ruling in due time by the departmental or national council as required.

The records of the results of the elections at each electoral table will be signed by the directors of the table, with the supervisor authenticating these signatures. Failure to authenticate the signatures will automatically annul the votes from that table.

6. If the result of the popular consultation is favorable to President Somoza, the FAO pledges to maintain a line of opposition that is civic-minded, democratic, constructive and peaceful. President Somoza will organize his government in such a way as to achieve national reconciliation, pledging to:

A. Propose the reorganization of the judicial branch in accordance with the law.

B. Reorganize the national law in conformity with a new organic law drafted by a technical council of officers.

C. Reorganize the Government Ministry. Also, in conformity with a draft prepared by a commission of experts, the national police will be organized and established with responsibility for public order.

D. A commission will be created to prepare a draft of a new electoral law that will guarantee the organization and functioning of political parties within democratic pluralism with free elections, effective suffrage based on a technically prepared census, and the organization and functioning of an electoral organ free of partisan pressure.

E. Fiscal control will be strengthened through an appropriate autonomous and reliable mechanism. Through laws and measures of administrative probity, it will prevent fraud and guarantee that national funds are channeled to promote and satisfy the development needs of the Nicaraguan people.

F. Laws will be dictated as needed to meet social commitments, promote the urgent welfare of the Nicaraguans, and guarantee greater exercise of human rights, as well as those laws that are required for proper administration at both national and municipal levels.

7. If the result of the popular consultation is unfavorable to President Somoza, he will resign from his post when the results are published. The Congress in joint session will accept that resignation and will elect, to replace him, a deputy or senator who will deal with the following:

A. The new president of the republic will form the cabinet with one-third being members of the PLN, one-third of the FAO, and the remaining one-third being independent persons mutually approved by the PLN and FAO.

B. The new president of the republic will appoint a new chief director of the Nicaraguan National Guard. The guard will be reorganized into the Armed Forces of Nicaragua with three branches--army, navy and air force--in conformity with a new organic law prepared by a technical council of officers of the National Guard appointed during a Council of Ministers session.

C. The national police, which will be in charge of public order, will be established and organized under the jurisdiction of the Government Ministry and in line with a project that is to be presented by a commission of experts.

D. A commission consisting of equal numbers of PLN and FAO representatives will be created to prepare an elections bill that will guarantee the organization and functioning of political parties. This will be done in a framework of democratic pluralism, free elections, and effective voting based on a technically prepared program and the organization and functioning of an electoral body free of partisan pressure.

E. Fiscal control that, by means of law and administrative measures, will prevent fraud and insure that national funds are used to promote and satisfy the development needs of the Nicaraguan people will be strengthened through adequate, autonomous and reliable mechanisms.

F. [Words indistinct] social and that are urgent for the well-being of the Nicaraguans and those that will guarantee a higher degree of respect for human rights, just as good state and municipal administrations demand it.

G. To propose that the present members of the Supreme Court hand their resignations to Congress and that the Congress replaces them with the following professionals of recognized prestige approved by the PLN and FAO: numbers one, two, three, four, up to nine.

The new Supreme Court will be reorganized according to law.

8. Congress will call for a constituent assembly election within 6 months after the resignation has been presented and will invest the new president of the republic with the legislative functions that can be delegated. It will name a commission of notables composed of the 50 persons whose names appear in Annex I. This commission will aid the president and prepare the new political constitution. The chosen president must fill the requirements and restrictions stated in Article 7, Chapter 1 of the constitution now in effect.

9. Whatever is not considered in this document will be resolved with the mutual consent of the parties.

Based on the foregoing, the proposed compromise is signed by the commissioners of the PLN, the FAO, the international friendly cooperation and conciliatory commission and the [words indistinct] the president of the republic and the acting National Guard chief on this date [date not given].

[Signed] Julio C. Quintana, Alfonso Robelo C., Dr Orlando Montenegro, Dr Rafael Cordoba Rivas, Dr Alceo Tablada, Dr Luis Sanchez Sanchez, Dominican Foreign Minister Ramon Emilio Jimenez, Guatemalan Ambassador Alfredo Obiols G., U.S. Ambassador William G. Bowdler, President of the Republic Gen Anastasio Somoza D., Chief and Acting Director of the National Guard Gen Jose R. Somoza [applause]

[Somoza] Thank you, Dr Tablada. As you have heard, the PLN has again yielded. The proposal of the international commission asked the PLN to form part of the government in the event it lost the plebiscite, while the FAO would not form part of the national conciliation government in the event that the PLN or President Somoza won the plebiscite. We decided that FAO participation was necessary to establish true conciliation in the country. In view of the partiality we saw in the international commission, however, and seeing that we could not advance because the international commission was not exerting any influence on the FAO, we decided to forget our aspiration to have the FAO participate in the event we won and to offer a different solution--the one read by the secretary general--in the event we won the plebiscite.

I have never imagined in all my life that a proposal for a supervised plebiscite could turn into total and collective intervention in Nicaragua. In other words, they wanted to place a foreigner at each of the polls, in each department electoral council office and at the National Electoral Council center. In line with the proposal made by the international commission, those foreigners were to have absolute power to approve or prevent Nicaraguan citizens from voting freely.

Another weakness of this proposal was that there would have been no registration to qualify the citizens. Gentlemen, here in Nicaragua we Nicaraguans have our lives and property at stake. Our political future and our way of life are at stake. We are not going to decide on political matters as if we were in a beauty contest--that is, without qualifying the people, without establishing where they live and their citizenship, and without having the right to have the elections supervised by the Nicaraguan people as well. Perhaps the FAO is forgetting that in all elections the parties have people watching to make sure that those voting in a given community are the persons who live in that community and not persons who are going from community to community casting votes.

We have always been interested in having elections reflect the will of the people of Nicaragua. This has always been our concern, but the Conservatives have said that the announced results of national elections do not represent what the voters say. Since they are only a few persons, they have no trust in the great Nicaraguan majority which in the past has counted the votes. The Nicaraguans have been able to establish in their communities who won the community's votes in a given election. It is for this reason, gentlemen, that we have had 50 years of peace in Nicaragua. Anyone who had anything to do with an election truly knew what the results were. For this reason I think that bringing in a foreigner to qualify Nicaraguan citizens is a violation of Nicaraguan sovereignty.

As you can see, our proposal is similar to that made by the international commission, with the exception that we have eliminated those sections that violate the constitution. I believe I must give an explanation. The international commission came here to see how it could solve the differences between the FAO and the PLN, which I represent.

The first proposal was that I was to negotiate my resignation and that the international commussion was going to help on that. When I saw with whom I was going to negotiate my resignation, I decided that it was an attempt against the Nicaraguan people because the FAO is a group that has no national organization and does not even represent 100,000 votes in Nicaragua.

I then proposed to hold a plebiscite so that each party's membership would be counted and, based on that, a national government would be formed with the representation of each party. They did not accept that either because they knew perfectly well that they did not have enough people to defeat the PLN.

Finally, they proposed that the situation be settled between the FAO and the PLN and I, gentlemen, for the sake of peace in Nicaragua, yielded my presidency so that it could be voted on. But the FAO then came up with unseemly and interventionist proposals, and the international commission, biased in favor to the FAO, started to harass our PLN delegates. We, as Nicaraguans, feel that these proposals are unacceptable. [applause]

And that is where we stand. We have made a perfectly feasible, nationalist proposal which guarantees the popular vote and its results. This must remain in the minds of all Nicaraguans, but with one reservation: If we reach an agreement with the FAO, no one has reached an agreement with the communists represented by the Sandinist National Liberation Front [FSLN], which has said that it will not put down its arms. Consequently, I want the Nicaraguan people to know that if violence increases, the FSLN is the one increasing it and not the men of democratic thought in Nicaragua. Thank you.

[Question] Mr President, Costa Rica, as always, has been the launching pad for forces that have invaded Nicaragua--so far with negative results. The citizens have welcomed the statements made by the foreign minister regarding the fact that the border would remain closed unless the situation is straightened out. Mr Predident, do you plan to keep the border closed until the Sandinist problem is straightened out in Costa Rica?

[Answer] Yes, we will open the border when the Sandinist problem is straightened out because we feel that the freedom which the Costa Rican Government gives to those forces which are ready to attack Nicaragua is complicity. We are marking time and making the continent and the world aware of this, so that when aggression comes from Costa Rican territory we will be able to cross [the border] in the legitimate right of defense even if we are invading Costa Rican territory. [applause]

[Question] Mr President, according to what you just said, do the conditions exist for the Nicaraguan Army to invade Costa Rican territory? That is my first question. I would also like you to comment on a statement by the U.S. State Department in which it criticizes your government because it says the Nicaraguan Government rejects the holding of a fair plebiscite in Nicaragua. It seems that your government has been criticized by the State Department.

[Answer] I said that the Costa Ricans would be given time so that their complicity would release us from any commitments we have. That is what I said regarding Costa Rica.

Regarding your question, I would like to answer it categorically. How can it be possible for the U.S. Government to criticize me just because I do not accept intervention in my fatherland? [applause] How can the U.S. Government criticize me when I still have a counterproposal to submit to Ambassador William Bowdler? [applause] And finally, how can they consider themselves impartial when they criticize a ruler who seeks only peace and tranquillity for [illegible] country? [applause] That is how I answer your question.

[Question] Mr President, you just said that if an agreement is reached between the FAO and the PLN there will be peace. But then who will stop the FSLN, which is the party that started the violence in the first place?

[Answer] [Words indistinct] if the PLN wins the plebiscite, the PLN will, because the FAO does not cooperate with the government. If the PLN loses the plebiscite, then the FAO, the PLN and Nicaraguan businessmen will [halt the FSLN]. Consequently, since we have a possibility of winning the plebiscite, we are not risking much. So let the mediation break off because, even if we win, we would be left alone because the FAO does not have the courage to face communism as we do. [applause]

[Question] Mr President, what will the deadline be for the Costa Rican Government before the National Guard will take action if the Costa Rican Government becomes intransigent in view of the present situation?

[Answer] The speed which they employ in using international mechanisms to stop the FSLN aggression. Gentlemen, it is not only the fact that they are shooting mortars at us. It is the fact that those criminals attack border towns, kidnaping and killing defenseless Nicaraguans who are there earning a living and working their plots granted to them by the agrarian reform. The Costa Ricans believe that it is just a game, but that is not so. They are presently invading El Cocosol, Rio Frio, La Esperanza, Rio Cucaracha and Guadalupe. These groups are harassing the civilian population of Nicaragua. Only Nicaragua, which has great patience, is putting up with the Costa Ricans and with these things.

[Question] Mr President, I meant the deadline that the Nicaraguan Government will give Costa Rica so that they will be more diligent in this matter.

[Answer] Whatever time we feel convenient.

[Question] Mr President, does your government have evidence that there are Panamanian military elements [elementos militares] fighting on the border with Costa Rica?

[Answer] Yes, we have learned that there are Panamanian military elements in Costa Rica, but they have not entered Nicaragua, because if they had done so we would already be aware of it.

[Question] Mr President, there is a marked threat of a trade and financial boycott by the Western countries. If this is carried out, would you consider making arrangements with the communist countries for the supply of money or to trade with them?

[Answer] Since the end of the cold war Nicaragua has traded with the communist countries. If the Western countries do not want us, we will seek those who do want to trade with us.

[Question] In view of your latest statements regarding the Sandinist Front, and aware of the report about the unity of the three Sandinist factions, have they participated in the mediation between the FAO and the Liberal Party? My second question: Could you give us a detailed and full report on what is happening on the border?

[Answer] One of the proposals the PLN made to the FAO when we were negotiating face to face was to invite the FSLN. Initially the members of the FAO were in agreement, but after consulting with the members of the international commission, they came back and said no. Gentlemen of the press, we are aware that in Nicaragua the struggle is and will be ideological. We are aware that the Sandinists represent Marxism-Leninism and that if they represent that ideology in a civil manner they will have the right to move about freely without being bothered. That is why we invited them. But if they attempt to destroy this society by the force of arms, this society also has the right to defend itself by the force of arms. And the defense of one ideology from another does not involve violation of human rights if the republic's constitution is applied. [applause]

What is happening in Costa Rica is that they have wanted and have permitted a group of revolutionaries to have training camps in various parts of Costa Rica. Since they still have not been able to reach the decision to invade this country, what they do is to set up 50-caliber machineguns and 60-mm mortars in high places on the Costa Rican side and fire recklessly on the Nicaraguan side near where Nicaraguan troops are located. They want us to go in after them so that pretty Costa Rica can say, "Oh, they have invaded me." They are trying to trap us. But for a trap there are also the formal notifications of a formal government to [words indistinct] if it deems advisable.

[Question] Mr President, yesterday on Teleprensa we broadcast an interview with Commander Bravo, operations chief of the southern zone. I believe that you must be aware of this interview. One of the aspects that caught my attention regarding the PLN's counterproposal to the OAS commission members was that of the reorganization of the Nicaraguan National Guard. Commander Bravo, who spoke as a real military professional and who impressed many people according to the many comments I heard this morning, said regarding the reorganization of the National Guard that the political parties which seek to reorganize it should first reorganize themselves since the National Guard is able to carry out its own reorganization and...

[Somoza interrupts] He did not say that. I heard the interview last night.

[Question] Yes, Mr President, could you explain to us...

[Somoza interrupts] Commander Bravo said that the National Guard is monolithic and determined to defend its ideology. Do not let anyone be afraid that we are in the process of reorganizing the National Guard because, many months ago, Mr Leonardo Lacayo Ocampos, the UPI correspondent here, asked me if we could speak of the National Guard. I replied that, yes, we could speak of its reorganization. So if we speak now about the reorganization, this is already well known by the National Guard forces.

[Question] Mr President, in the event the mediation commission does not accept your counterproposal and this brings an increase of U.S. pressure, to what point are you willing to go to resist the U.S. pressure, which could also include economic embargoes as has been rumored here?

[Answer] Nicaragua is a small country. We have not provided any motive to justify aggression such as you have described.

[Question] [Words indistinct] win the plebiscite as you proposed it. Why?

[Answer] In the first place, I can assure you that approximately 8 months ago the PLN participated in municipal elections. Without including Managua, we obtained more than 500,000 votes. In view of this, as a Liberal I count on the loyalty of those Liberals. [applause]

[Question] Mr President, returning to this document for peace in Nicaragua which [words indistinct], I would like to say that in all past elections the PLN has had groups of aggression at the time of the [words indistinct] electoral boards. In other words, [words indistinct] have taken groups with a spirit of aggression to [word indistinct] the voters. I would like to ask you, Mr President, what will be done if that document is accepted--and I think it will be accepted because it is a great work by the PLN and Your Excellency--and who will guarantee that these punitive groups will not try to upset the voters? I think that your answer, Mr President, will make the voters confident that there will be guarantees in the electoral boards so that there will be effective suffrage and real freedom to cast their votes without clear aggression by groups which I am sure you will remember.

[Answer] I understand that this is one of the things that will be negotiated with the FAO if we again meet with them. Who will guarantee order? I will answer as a Liberal, and I think you could have answered the question. If there is no such thing [a guarantee], the Liberals are going to provide the guarantee.

[Question] Mr President, 1978 has indisputably been a trying year for you and Nicaragua, because when everybody said you were going you stayed. The best eulogy I have heard for you was stated by my mother. She said: This man is always admirable; he has the world on top of him and he continues to struggle. What will you offer to the Nicaraguan people in 1979?

[Answer] First, I want to thank your mother, through you, for her words. Regarding your question about what I can offer to the Nicaraguan people, I do not know what I can do. The only thing I can offer the Nicaraguan people in 1979 is that I will never deceive them. I will always tell the truth, whether we are at the bottom of the barrel or in seventh heaven enjoying extraordinary things.

[Question] You said that your country has not done anything which would justify the United States' adopting certain measures which (?I mentioned before), but your country has been accused of constantly violating human rights. Amnesty International claims that your government has not fully carried out the amnesty it decreed and that certain peasants have not even appeared yet. What do you have to say about it?

[Answer] All I have to say is that Amnesty International is an organization that will never be fully satisfied because if all governments met its demands, it would disappear. Consequently, it continues with its doubts about good faith. Regarding the amnesty, well, it is all right for a Nicaraguan to question it, but not for a foreigner who does not live here and who only listens to stories. We have a judicial system in which amnesty can prevail. Therefore, any international entity that says that amnesty has not been observed will have to prove it to me legally and not through hearsay, as Amnesty International works. [applause]

[Question] Amnesty International works through hearsay, but every morning we, the foreign newsmen, can witness how here--only a few meters from the Intercontinental Hotel--100 or 200 women, sometimes fewer, gathering in front of the human rights commission offices to ask about the whereabouts of their sons. They, Nicaraguans, affirm that their sons were [word indistinct] arrested by the National Guard and that although they are not listed as having been arrested, they are listed as released. Those are not stories made up by Amnesty International or that Amnesty International...

[Somoza interrupts] That they do not appear how?

[Question] That they have not ever appeared back at their homes and are not listed among those arrested or in prison at this time.

[Answer] It is possible. There have been quite a few youths who have left their homes and engaged in subversion, and those youths, without any identification, have been killed in guerrilla fighting. The mothers are trying to blame the government for it. That is not correct. What you say is possible, however. Those mothers have not gone to a court to file a legal claim that their sons have disappeared or that they were taken away by National Guardsman so and so. In addition, that permanent commission is not legal in Nicaragua. It is a commission created by politicians who oppose the government in order to carry out propaganda. It is a commission which bothers us because it is wasting your time and mine, but it has no legal value. This only proves again that there are all kinds of guarantees and liberties in Nicaragua.

[Question] Mr President, you just told Miguel Angel Garcia that you did not want to deceive the people and that you always wanted to tell the truth. How does the government stand economically? You mentioned something about being at the bottom of the barrel. I would like you to clarify that point for us.

[Answer] I said that I would tell people the truth whether we were at the bottom of the barrel or in seventh heaven. That was my statement. Now you ask me how the government stands or how the economic situation stands. The businessmen scared the people with their strikes and their threats of war, maintaining that Nicaragua was going to be destroyed. Everybody got scared. Nobody would buy, the merchants did not sell anything and the government did not collect its taxes. But the government has not gone bankrupt because of this. The only thing we did was to postpone programs and spend less money. Now that the situation has calmed down we have been able to witness how, during this Christmas, the merchants have sold more than they did in 1977. I want to say that with the beginning of the great harvest, with the money that all Nicaraguan workers will have, the businesses will pick up again and the government will again collects its taxes. Gentlemen, I appreciate it. Good afternoon.

SANDINISTS REITERATE REJECTION OF MEDIATION

PA272328Y Panama City Domestic Service in Spanish 1730 GMT 27 Dec 78 PA

[Text] All revolutionary forces of the Sandinist National Liberation Front [FSLN] of Nicaragua have reiterated their rejection of the imperialist mediation. They state that they are attempting to join efforts in order to boost the armed struggle against the Somoza regime. In a communique addressed to the Nicaraguan people, the Sandinists note that, regardless of any surrender by any sector of the Nicaraguan bourgeois opposition, the revolutionary army will continue the war to defend the people's liberty and the country's sovereignty. The FSLN points out that the overthrow of Somoza through revolutionary struggle and the dissolution of the National Guard are indispensable conditions for a true democracy. Meanwhile, it was reported from the Dominican Republic that the mediation commission will meet in Santo Domingo today to prepare its report. Pessimism prevails among Dominican diplomatic circles in regard to an eventual satisfactory solution of the critical situation in Nicaragua.

NATIONAL ELECTORAL COMMITTEE FORMED

FL271851Y Havana Domestic Television Service in Spanish 1800 GMT 27 Dec 78 FL

[Text] The National Electoral Committee of the people's government was established this morning in the offices of the National Assembly's auxiliary organ [as heard]. The committee will be headed by Justice Minister Armando Torres Santrayll and consists of 17 comrades. Its vice president is Jose Aranaburo, secretary of the People's Government National Assembly.

Proposals for the composition of provincial committees and of the Isle of Youth special municipality as well as a special electoral committee of the Revolutionary Armed Forces were examined at the same meeting. At this first constituent meeting, it also was announced that each voter will be supplied an electoral card to exercise his vote. The municipal committees will be established by the provincial ones. It also was agreed to form a support group to assure the electoral process. The next meeting of the National Electoral Committee will be held on 6 January.

MILIAN CASTRO MARKS SANTA CLARA LIBERATION ANNIVERSARY

FL272319 [Editoral Report FL] Havana Domestic Television Service in Spanish at 2159 GMT on 27 December carries live coverage of main event marking the 20th anniversary of the liberation of Santa Clara City, Villa Clara Province, from that city's Augusto Cesar Sandino Stadium. PCC Politburo member Arnaldo Milian is the announced main speaker.

As coverage begins, the camera pans the crowd assembled at the stadium. The national anthem is played at 2201 GMT. An unidentified announcer opens the proceedings by stating that the event is being presided over by Arnaldo Milian, party Provincial Secretary Carlos Pis Delgado, other members of the provincial and municipal party committees, representatives of mass organizations, members of the Revolutionary Armed Forces and other guests.

Milian is introduced and begins speaking at 2204 GMT. He opens his speech by referring to the significance of the date, and immediately begins to relate the events leading to the battle of Santa Clara. He praises Che Guevara and Camilo Cienfuegos, whom he calls unforgettable and heroic combatants. He then mentions a number of rebel army members who died in the attack and praises the people of Santa Clara for the assistance given to the revolutionary guerrillas.

Focusing his speech on the preparations made for the battle of Santa Clara, he praises Fidel Castro for his brilliant strategy and leadership, calling that action one of the most important of the war of liberation. He states that 20 years have elapsed since that event, and today the fatherland occupies a prominent position internationally for its foreign policy and internationalist aid. "Because of that attitude," he adds, "our fatherland has had to face enormous difficulties, defending its revolution, bringing about social reforms and giving its people the right to a better life in a just and socialist society."

Quoting a 1965 speech made by Fidel Castro at Santa Clara, he says the province has fought many battles after the triumph of the revolution, citing the battle against bandits, counterrevolutionaries and saboteurs. He refers to the many tasks undertaken by the province's residents to improve the standard of living, and the revolution's accomplishments directed at eradicating unemployment and providing social services.

Milian mentions some of the industries that have been built in the past 20 years and mentions some which will be built in 1979. He cites some of the schools which have been built and the number of students attending classes at each of them. He adds that these are not all the revolution's accomplishments, only the more important ones. He mentions road and railroad projects presently under construction.

Milian states that the revolution has been consolidated, but that a lot remains to be done. "A lot more has to be built and a lot more has to be done by all the people," he says. Referring to the sugar harvest, Milian asks for greater efforts to make a harvest equal to the importance of the 20th anniversary of the revolution. He says Villa Clara is a very important province in the sugar harvest because of the large number of sugar mills located in it. He asks all to save more, work harder and devote more time to all phases of the sugar industry.

Milian refers to other agricultural tasks, citing vegetable crops and industry-related tasks. He says party cadres and corresponding state agencies must pay special attention to the building of new industries.

Milian pays tribute to the Cubans who have gone abroad to give internationalist aid to fraternal countries. He appeals to all workers and says: "We must be better organized, more efficient." He praises all who have defended socialism at home and abroad.

Closing, Milian says: "We cannot forget that today's struggle is a continuation to yesterday's, that the battle which liberated Santa Clara was one more action in the long history of combat of our people for their freedom. Today, when we recall those days of struggle and sacrifice, we have the immense satisfaction of knowing they were not in vain, that the blood spilled was not wasted, that our country has been transformed; that our people today are more aware, better organized; that our revolutionary fatherland advances toward the future with the respect of the entire world under the leadership of our glorious party and its extraordinary and beloved leader, Comrade Fidel. [applause]

"Eternal glory to those who fell during our liberation struggle! Long live the 20th anniversary of the liberation of Santa Clara! [applause and shouts of Viva] Long live the 20th anniversary of the triumph of the revolution! [applause and shouts of Viva] Long live Commander Ernesto Che Guevara! [shouts of Viva] Long live the unforgettable Commander Camilo Cienfuegos! [shouts of Viva] Long live our commander in chief! [shouts of Viva] Fatherland or death; we shall win!" [prolonged applause and shouts]

Milian ends his speech at 2243 GMT, and coverage ends at 2246 GMT after the Internationale is played.

PALMA SORIANO CELEBRATES ANNIVERSARY OF REVOLUTION

FL280041Y Havana Domestic Service in Spanish 0000 GMT 28 Dec 78 FL

[Text] The main event marking the 20th anniversary of the liberation of Palma Soriano by the rebel army was held today at the Donato Marmol Plaza, presided over by Commander of the Revolution Guillermo Garcia Frias, member of the PCC Central Committee Politburo.

In his closing remarks, Gen Sixto Batista, member of the PCC Central Committee, recalled the significance that the conquest of the city--directed by the top leader of the revolution, Commander in Chief Fidel Castro--had for the ultimate triumph of the revolution.

Likewise, he noted the efficiency with which the residents of Palma Soriano fulfilled numerous tasks in honor of the anniversary of the liberation of their city.

Earlier in the day, Commander of the Revolution Guillermo Garcia recounted some historic events while visiting the museum of Palma Soriano, which was dedicated today in honor of the anniversary.

PEREZ HERRERO CHAIRS CLOSING OF PROPAGANDA SYMPOSIUM

FL271120Y Havana Domestic Service in Spanish 1100 GMT 27 Dec 78 FL

[Text] The closing ceremony of the symposium on party propaganda and its role has been held at the Nico Lopez national party school in Havana, chaired by PCC Central Committee Secretariat member Antonio Perez Herrero. Nearly 140 representatives of 26 political and state organizations attended the symposium in which 67 reports on propaganda and the party were examined.

Antonio Diaz, chief of the Central Committee Internal Education Department, made the closing remarks. With this symposium another step has been taken in fulfillment of the first party congress directive calling for research activities in the field of Marxist-Leninist theory, Antonio Diaz said. Lastly, he asserted that the aims of the symposium with regard to the number of participants and quality of reports introduced had been achieved.

MACHADO VENTURA ENDS TOUR OF GRANMA PROVINCE

FL280051Y Havana Domestic Service in Spanish 0000 GMT 28 Dec 78 FL

[Text] PCC Central Committee Politburo member Jose Ramon Machado Ventura has concluded a tour of economic centers and projects under construction in Granma Province. In Yara, he visited the Veguitas tuber farm, where he expressed interest on the yields of different varieties. He also visited El Cacao rock crushing plant, which is being built in Jiguani, and Bayamo's health polytechnic institute, where 575 youths are training in various specialities. At all locations visited Machado Ventura was briefed on the party's growth and 1979 plans. Accompanying him in the tour was Emilio Loo Hernandez, member of the PCC Central Committee and first party secretary in Granma Province.

JANUARY 2 PARADE PARTICIPANTS HONORED

FL271131Y Havana Domestic Service in Spanish 1100 GMT 27 Dec 78 FL

[Text] A political-cultural activity in tribute to the participants in the "20th anniversary of the triumph of the revolution" military parade, which will take place on 2 January, was held at the Havana Sports City. The activity was held yesterday and speakers included representatives of the Jose Marti Pioneers Organization, Union of Young Communists, mass organizations, and the forces that will participate in the parade. They stressed the role of the Revolutionary Armed Forces (FAR) in safeguarding the gains of socialism and the well-being of the people.

Brig Gen Leopoldo Cintras Frias, member of the PCC Central Committee, made the closing remarks. After referring to the rebel force's advance in the last days of December 1958, Cintras Frias pointed out that the 2 January military parade will show the results of the constant attention which the party, government and Commander in Chief Fidel Castro have given to the development and strengthening of our armed forces.

VIETNAMESE DELEGATION TOURS MATANZAS PROVINCE

FL280129Y Havana Domestic Service in Spanish 0000 GMT 28 Dec 78 FL

[Text] The Vietnamese delegation headed by Du Muoi, alternate member of Vietnam's Communist Party Politburo, has toured places of economic interest and educational centers in Matanzas Province. The delegation was received in Matanzas City by Julian Rizo, member of the PCC Central Committee and first party secretary in that province, who briefed them on the socio-economic development experienced by the region and the advances attained in the production of sugar, citrus fruits and other livestock-agrigultural products.

ROCA RECEIVES LAO PEOPLE'S COUNCIL OFFICIAL

FL271124Y Havana Domestic Service in Spanish 1100 GMT 27 Dec 78 FL

[Text] Blas Roca Calderio, member of the PCC Politburo and president of the People's Government National Assembly, has received Khampheng Boupha, member of the Lao Revolutionary Party Central Committee and of the Lao Supreme People's Council.

Khampheng Boupha, who heads the Laotian delegation invited to the festivities marking the 20th anniversary of the Cuban revolution, conveyed to Blas Roca greetings from the president of the Lao People's Democratic Republic and warm congratulations for the victorious arrival of our revolution at its first 20 years.

OFFICIAL MOURNING DECREED FOR BOUMEDIENE'S DEATH

FL280024Y Havana Domestic Service in Spanish 0000 GMT 28 Dec 78 FL

[Text] The Council of State has decreed an official mourning period on 27, 28 and 29 December for the death of Comrade Houari Boumediene, president of the Democratic and Popular Republic of Algeria and its Council of the Revolution. As a token of mourning, the national emblem will be flown at half-mast at all public buildings and military installations.

BRIEFS

RECORD LOBSTER CATCH--A meeting to assess this year's fishing work in the Isle of Youth special municipality has been held in Nueva Gerona, presided over by Anibal Velaz, member of the PCC Central Committee and minister of the fish industry. Velaz hailed the effort made by the fishermen of that special municipality who overfulfilled the year's lobster catch and processing plan and broke an historic record set in 1965 with nearly 1,030 tons. He stressed the importance of this export sector for the country's economy and added that the Fish Industry Ministry has fulfilled its annual export plan for the 11th time. Anibal Velaz went on to urge the Isle of Youth fishermen to overfulfill the 1979 plan and to set new records. [Text] [Havana Domestic Service in Spanish 1337 GMT 25 Dec 78 FL]

VENEZUELAN PRESIDENT ARRIVES FOR OFFICIAL VISIT

FL271433 [Editorial Report FL] Santo Domingo Domestic Service in Spanish at 1307 GMT on 27 December carries live coverage of the arrival of Venezuelan President Carlos Andres Perez at Santo Domingo's Las Americas Airport. The announcer reports that Dominican President Antonio Guzman and government, armed forces and Dominican Revolutionary Party [PRD] officials are at the airport to welcome the Venezuelan president.

At 1317 GMT, President Guzman makes a 5-minute welcoming speech. He says that an exchange of "men and ideas" has existed between the Dominican Republic and Venezuela for centuries. He adds that this exchange was expanded when "our peoples were the victims of persecutions and limitations established by repudiative regimes."

Guzman states that "solidarity between our two peoples has existed always and had its culminating point recently after the results of the past elections when there was an attempt to ignore the majority will of the Dominican people as freely expressed at the polls. For this reason, he says, "allow me, Mr President, to express the eternal gratitude and recognition of your government and the Venezuelan people that, at that time, identified themselves not only with the noble and just cause of the Dominican people but also with a momentous event for democracy in America."

President Perez responds at 1323 GMT with a 6-minute speech. He begins by saying that "with great emotion, for the second time I come to this dear fraternal land. I bring with me the fraternal greeting of the Venezuelan people for their brothers of the Dominican Republic." He then declares that "the ties which bind Dominicans and Venezuelans are very deep". After briefly referring to the "suffering which both countries experienced over many decades," he says that "the Dominican Republic and Republic of Venezuela are two democracies in the Latin American world."

Perez then pays tribute to former President Joaquin Balaguer, saying that "the ruler whom Antonio Guzman succeeded, Dr Balaguer, will have a significant place in the history of the Dominican Republic" because he paved the way for the Dominican people's full recovery of their "right to freely elect their rulers." Perez also briefly discusses past dictatorships in Venezuela and problems of the Venezuelan people and, he says, "Our experience should illuminate today the path of the Dominican people."

"I believe," he adds, "that the sovereignty of our nations must be maintained and respected by the other nations of the continent and of the world. But, at the same time," he says, "I completely share the conviction that the events of one nation are not extraneous to the other nations of the American continent; that there are supranational obligations, and there are suprarights, and that Venezuela in no way interfered with the domestic affairs of the Dominican Republic when, along with other democratic nations of the continent, it assumed a right that emanates from the OAS Charter itself and a right that emanates from our conviction of being Latin American compatriots to be concerned over the fate of our homelands."

He says that "today, thanks to these ties and thanks to that common spirit and common will of liberty and democracy, we, the president of the Dominican Republic and the president of the Republic of Venezuela, can embrace at this airport of the Dominican Republic on behalf of our peoples and as their representatives."

CHINESE TECHNICIANS TO ASSIST IN BUILDING TEXTILE MILL

FL271505Y Kingston DAILY GLEANER in English 22 Dec 78 pp 1, 27 FL

[Text] Fifty-two technicians from the People's Republic of China will begin arriving next month to assist in the construction of the cotton-polyester textile mill now being built in Old Harbour. This development, another phase in the project, follows the signing yesterday of a technical personnel agreement between Industry Minister Danny Williams and Chinese Ambassador to Jamaica Mr. Wang Chung-li.

The first team of engineers is expected in January to co-ordinate construction work presently being carried out at the site. This team will be followed later in the year by a second group, whose job it will be to supervise the installation of the machinery supplied under a $7.9 million 20-year interest-free loan from China. The equipment is due shortly.

A third group of production engineers is scheduled to arrive toward the end of the construction period targeted for November 1980. They will train Jamaican workers and assist in "start-up" operations.

The joint-venture enterprise, the first of its kind between the People's Republic of China and Jamaica, was made possible under a technical and economic co-operation agreement signed between the two governments in February, 1974.

Under this agreement, the Jamaican Government had requested assistance from China in the development of the nation's textile industry.

On completion, the mill will manufacture some four million square feet of cotton-polyester fabric annually. The domestic market for the fabric is about 10 million sq. ft. per year, most of which is imported.

An estimated 800 Jamaicans are expected in the operation of the mill, working on three shifts daily. Revenue will be in the region of J$11.3 million annually.

Witnessing the signing were Messrs. Hugh Bonnick and Rupert Bennett, project manager and secretary, respectively, of the newly formed cotton-polyester company (Jamaica); and Messrs. Lim Ching-hsin and Ma Tien ping, attache and first secretary, respectively, in the Chinese Embassy. --API [Agency for Public Information]

IMF TEAM REVIEWS ECONOMIC PERFORMANCE WITH CABINET

FL271515Y Kingston DAILY GLEANER in English 22 Dec 78 p 1 FL

[Excerpts] Top members of the cabinet, including Finance Minister Eric Bell, met and held discussions yesterday with the IMF team now here, on Jamaica's economic performance during the year now ending. The discussions related specifically to the country's economic performance in light of the IMF criteria for the December 21 test.

Government officials remained tight-lipped when asked about the talks, and efforts to contact Finance Minister Bell proved fruitless.

GUYANA

PEOPLE'S CONGRESS OPENS TO DISCUSS NATIONAL ISSUES

FL221530Y Georgetown SUNDAY CHRONICLE in English 17 Dec 78 p 1 FL

[George Baird report]

[Excerpts] An exercise, unprecedented in the history of extra-parliamentary democracy in this country, got underway yesterday when thousands of people from all strata of life got together under the aegis of the ruling People's National Congress to discuss the most burning issues now facing the nation. There were delegates from some 100 organizations including the official opposition party in parliament, the People's Progressive Party and the smaller United Force.

The economy and ways and means of how to increase production and productivity to improve it will dominate the conversations which the government hopes would provide a collective approach to national problems.

The gathering at the Sophia exhibition park yesterday afternoon was the culmination of hard work by a preparatory committee headed by PNC Chairman Cammie Ramsaroop, who arranged for the discussions to take place in 80 workshops.

"People's involvement for strengthening national economy" is the main theme of the congress, but there were other banners with "unity of the working class guarantees socialist construction," "produce more and help Guyana out of its economic crisis" and "total involvement, increased productivity, maximum production" to help underscore the seriousness of the congress.

Deputy Prime Minister and General Secretary of the People's National Congress Cde. Ptolemy Reid will deliver the charge to congress this morning and Prime Minister Burnham will deliver the main speech at a "people's rally" at 6.30 o'clock tonight to climax the activities surrounding the congress.

PERU

FOUR CHILEAN DIPLOMATS EXPELLED FOR ESPIONAGE

PA280153Y Buenos Aires LATIN in Spanish 0139 GMT 28 Dec 78 PA

[Text] Lima, 27 Dec (LATIN)--Four members of the Chilean Embassy in Lima were expelled from the country a month ago because of espionage activities. The report issued by the Peruvian Foreign Ministry tonight adds that a retired Peruvian Air Force officer was tried for treason by a military court.

INTER-AMERICAN AFFAIRS

OLADE BEGINS GEOTHERMIC EXPLORATION PROGRAM

PA280036Y Paris AFP in Spanish 1630 GMT 22 Dec 78 PA

[Text] Quito, 22 Dec (AFP)--The Latin American Energy Organization (OLADE) announced here today that it will begin a geothermic exploration program in 1979. The program will be undertaken through a nonreimbursable financing agreement with the EEC. OLADE announced that the basic objective of the program is to promote the development of new sources of energy and thus to decrease the Latin American countries' dependence on hydrocarbons. The first phase of the exploration will be carried out in Ecuador, Haiti, Peru and the Dominican Republic at a cost of $1.013 million. Of this amount, the EEC special development fund will contribute $773,000, while the rest will be financed by the countries benefiting from the program.